



الهيئة المغربية لسوق الرساميل
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الهيئة المغربية لسوق الرساميل
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AUTORITÉ MAROCAINE DU MARCHÉ DES CAPITAUX

ANNUAL REPORT
2019







**HIS MAJESTY KING MOHAMMED VI,
MAY GOD ASSIST HIM**



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WORD FROM THE PRESIDENT



The year 2019 witnessed favorable market conditions and significant advances, such as the completion of the regulatory framework for OPCIs, the effective launch of the licensing system for capital market professionals, the entry into force of the new regime for public offerings, and the operationalization of the new law on the Stock Exchange.

Significant increase in stock market indicators and a steady contribution to financing the economy

With regard to stock market conditions in 2019, all performance indicators showed a significant increase. The MASI index ended the year up 7.11%, and market capitalization gained 7.65%. Overall transaction volume increased by 43.10%, mainly due to the sale by the Kingdom of Morocco of 8% of Itissalat Al Maghrib's capital, including 6% on

the block market to qualified investors under Moroccan law and 2% through a public offering. The amount of the two transactions totaled nearly MAD 9 billion. The capital market continued to strengthen its contribution to financing the economy, with debt securities issuance increasing by 31%, reaching MAD 88 billion. Equity securities issuance also increased significantly in 2019 with an issue volume of over MAD 10 billion, compared to MAD 5 billion the previous year, mainly driven by the capital increases carried out by BCP, BMCE Bank of Africa, and CIH for more than MAD 9 billion.

Asset management instruments, particularly UCITS, which play a major role in financing issuers, also performed favorably in 2019, with an increase in assets under management and a substantial rise in net assets ratio to GDP, to reach 41%.

Intensification of authorization and approval activities

As regards authorizations and approvals, in 2019, the AMMC processed 64 financial transactions, approved five (5) participants, including four (4) OPCI management companies, and authorized 222 UCITS, two (2) FPCTs, and two (2) OPCCs. Besides, the AMMC also issued opinions on applications for the approval of real estate appraisers of OPCI assets.

Supervisory reinforcement

As for supervision, in 2019, the AMMC updated its control procedures and introduced a new approach to conducting inspections, with a more refined segmentation between missions with a broader scope and those involving targeted control of new risks and market practices. A total of sixteen (16) inspections were carried out during the year, involving a total of seven (7) brokerage firms, five (5) account keepers, and four (4) management companies. Further, the AMMC opened three (3) investigations relating to behavior likely to undermine the proper functioning of the market and finalized the handling of two (2) investigations opened the previous year.

More effective enforcement mechanism

As for the enforcement, 2019 witnessed an increase in the number and complexity of cases investigated by the Enforcement Committee. The latter investigated seventeen (17) cases and issued fifteen (15) opinions, leading to fourteen (14) penalty decisions and one (1) decision to refer a case to the courts.

An eventful year on the regulatory front

In 2019, there were many new developments in terms of regulatory activity, in which the AMMC plays an active role. The main developments regard the completion of the OPCIs regulatory framework, especially with the approval of Circular no. 02/19 on OPCI management companies, the approval of the Stock Exchange General Regulations implementing Law no. 19-14, and the adoption of a new regime of public offerings driven by Circular no. 03/19 on financial transactions and reporting.

These three texts are a milestone in the wide-ranging process of capital market reform, aiming particularly to introduce new products (effective launch of

OPCIs), the reform of the stock market compartments for greater clarity and attractiveness (new segmentation of the compartments), the introduction of an alternative market dedicated to SMEs, the creation of two compartments of the Stock Exchange reserved for qualified investors ...) as well as the improvement of the framework governing financial transactions and reporting (improvement of issuer transparency, upgrading of issuer governance and optimization of the authorization process for financial transactions).

Close cooperation with national players

The rise of new activities and their required supervision have heightened the Authority's interaction with regulators in the marketplace.

These interactions have also materialized through increased dialogue with market operators and professional associations to ensure better market awareness.

Signing agreements with local players to develop the market also marked national cooperation. As such, a memorandum of understanding was signed with the UTRF (financial intelligence unit) to strengthen cooperation and coordination between

both parties on anti-money laundering and combating the financing of terrorism.

First licensing of professionals

Other highlights of 2019 included launching the licensing process for capital market professionals and, as such, 80 candidates were granted professional cards following the exams organized by the AMMC.

Establishment of the Scientific Council

Driven by a desire to enhance its contribution to the Moroccan financial market's development, the AMMC has established a Scientific Council to provide advice and scientific support on issues related to financial markets regulation.

Continuous involvement at the international level

In the area of international cooperation, the AMMC has strengthened its presence in international bodies, notably through more sustained participation in the technical committees of the IOSCO (International Organization of Securities Commissions).

The AMMC has also strived to promote

bilateral and multilateral experience-sharing, regularly organizing technical assistance missions benefiting regulators covering topics such as supervision, control, and asset management. The Authority thus hosted six (6) foreign delegations this year.

Within the bilateral cooperation framework, the AMMC signed a new cooperation and information exchange agreement with the Spanish securities regulator (CNVM).

Moreover, the Authority maintained its commitment to sustainable finance, through experience-sharing at international forums and participation in the organization of international events such as the first biennial WASRA conference and the workshop on the implementation of green capital markets, organized for market regulators and stock exchanges in Africa and the Middle East, jointly with the Toronto Centre at the AMMC headquarters.

Lessons to consider in the upcoming strategic plan

The COVID-19 pandemic, which struck the world in early 2020, has triggered significant stress in Morocco. However, thanks to strong market mobilization, all segments of the capital market and

infrastructure have remained relatively resilient, continuing to operate smoothly and to play their part in financing the economy. Nevertheless, the crisis will for a fact have economic, financial, and social repercussions that will require support measures to boost economic recovery.

This crisis coincides with the end of our first strategic plan for 2017-2020. The development of the next four-year plan will not overlook the unprecedented and uncertain context we are experiencing, which poses significant regulatory challenges. The revival of economic activity is a priority to which the AMMC is fully determined to make its contribution. We will strive to develop new financing solutions via the capital market while ensuring that savings are protected. We support market operators and infrastructures by offering financing alternatives through the capital market's wide range of instruments.

Nezha HAYAT
Présidente





ABOUT THE AMMC

MISSIONS, SCOPE OF INTERVENTION AND
PARTICIPANTS UNDER ITS SUPERVISION,
PREROGATIVES AND POWERS, BODIES

The Moroccan Capital Market Authority (AMMC) is the regulatory body in charge of the supervision and control of the Moroccan capital market, its products and players. It is an independent institution, with broad autonomy and extensive prerogatives, which sees to the compliance and respect of legislation. It also ensures that investors are properly informed and protected.

1. MISSIONS

The main missions of the AMMC, within the framework of its prerogatives, are to:

- Ensure the protection of savings invested in financial instruments;
- Ensure equal treatment of investors, transparency and integrity of the capital market and investor information;
- Ensure the sound functioning of the capital market and oversee the enforcement of laws and regulations;
- Ensure compliance with the laws and regulations in force relating to anti-money laundering by the persons and organizations under its supervision;
- Contribute to fostering the financial education of investors

2. AMMC SCOPE OF INTERVENTION AND PARTICIPANTS UNDER ITS SUPERVISION

The AMMC exercises the supervisory powers vested in it by the laws in force with regard to the bodies and persons subject to its supervision and ensures that they comply with the laws and regulations applicable to them, in particular those relating to:

- Transactions involving financial instruments, including repurchase agreements, public offerings, transactions involving negotiable debt securities and securities lending;
- Financial intermediaries: brokerage firms, asset management companies, OPCC (venture capital investment vehicles) management companies, FPCT (securitization vehicles) management companies and financial investment advisor;
- Market undertakings: the company managing the Stock exchange, the company managing the futures market, the Central depository and the Clearing house for the futures market;
- Account-keepers;
- Public issuers;
- Persons licensed to perform one of the functions requiring the AMMC's licensing.

3. PREROGATIVES AND POWERS

To fulfill its missions, the AMMC is vested with broad prerogatives, and in this capacity, it:

- Controls information and approves summary prospectuses;
- Carries out documentary controls and on-site inspections;
- Approves and authorizes players;
- Imposes disciplinary sanctions and fines in the event of violations;
- Refers to the relevant judicial authority any matter likely to constitute an offence;
- Establishes rules of professional and ethical conduct through circulars;
- Provides assistance to the government for the regulation of the capital market.

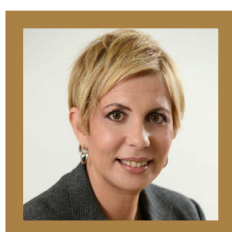
4. AMMC BODIES

4.1 The Board of Directors

The AMMC Board of Directors is the governance body of the Authority. Its independence of action and its balance in terms of control and distribution of roles between the members and the Chairmanship are defined by Law No. 43-12.

The composition of the Board of Directors also reflects parity between representatives of the Administration and independent members chosen for their integrity and expertise in the financial and legal fields.

Composition of the AMMC Board of Directors



Ms. Nezha HAYAT
Chairperson of the AMMC



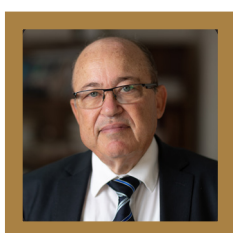
Ms. Faouzia ZAABOUL
Director of the Treasury and External Finance, representing the government



Mr. Hassan BOUBRIK
Chairman of the Insurance and Social Welfare Control Commission (ACAPS), representing the government



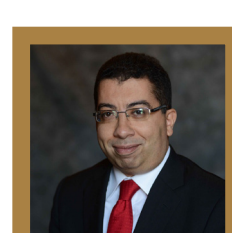
Ms. Hiba ZAHOU
Director of the Banking Supervision Department, representing Bank Al-Maghrib



Mr. Abdelaziz TALBI
Appointed intuitu personae



Mr. Abdelaziz TAZI
Appointed intuitu personae



Mr. Soulaymane KACHANI
Appointed intuitu personae

The law on the AMMC introduced an audit by the Government Commissioner. In particular, the latter ensures that the AMMC complies with the legislative provisions governing its activities. He attends meetings of the Board of Directors in an advisory capacity. The Government Commissioner is appointed by the Administration among the senior officials of the Ministry of Finance

Mr. Adil BAJJA served as Government Commissioner in 2019 ¹.

1- Appointment of Mr. Hicham EL MDAGHRI AMMC Government Commissioner as a successor to Mr. Adil BAJJA as of 31 January 2020.

Subject to the powers conferred upon the Chairperson and the Enforcement Committee, the Board of Directors is vested with the powers and duties that are required to administer the AMMC and to perform the tasks with which it has been entrusted, and to this end the Board:

- Approves the annual budget of the AMMC;
- Sets the rules and procedures applicable to the Board and all of the AMMC staff;
- Reviews the internal regulations of the AMMC;
- Reviews the auditor's report and takes the final decision regarding the observations;
- Defines the organization chart of the AMMC and the responsibilities of the various departments on the basis of a proposal from the Chairperson;
- Submits a request to the Chairperson to conduct an investigation in the framework of the missions of the AMMC.

BOX NO. 1. ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Moroccan Capital Market Authority held four meetings in 2019 under the chairmanship of Ms. Nezha HAYAT :

27 March 2019

- Approval of the Authority's accounts for the 2018 financial year;
- Allocation the 2018 financial year net income;
- Adoption of the financial and accounting standards;
- Review of the AMMC's IS master plan.

25 June 2019

- Approval of the AMMC's Annual Report for the 2018 financial year;
- Review of recent capital market developments:
 - Real estate investment schemes (OPCI);
 - Stock market;
 - Public offering.

30 September 2019

- Appointment of the external auditor responsible for the annual audit of the AMMC's accounts for financial years 2019 to 2021;
- Review of the communications action plan for the general public;
- Presentation of the work of the ad hoc committee in charge of reviewing the AMMC's draft strategic plan for Information Systems;
- Update on the AMMC 2017-2020 Strategic Plan.

25 December 2019

- Approval of the AMMC budget for 2020;
- Review of the new Ethics Code draft applicable to AMMC staff members.

4.1.1 The Audit Committee

The Audit Committee is a body set up by the Board of Directors from among its members and is responsible for :

- Monitoring the accounting information preparation process;
- The independence of the Statutory Auditor and the External Auditor;
- The effectiveness of the internal control and risk management systems and the statutory audit of the annual accounts .

The Audit Committee may also, at the request of the Board of Directors, review any matter relating to the Committee's powers, in particular the proposed budget and its implementation report.

More generally, its areas of intervention include :

- the approval of the annual financial statements of the AMMC;
- the procedures for selecting the Statutory Auditor and the External Auditor and the budget to cover their fees;
- the internal audit programs;
- the implementation of the recommendations issued by the Statutory Auditor, the external auditors and internal audit.

The Audit Committee consists of at least two members who are chosen from the Board of Directors. The Chairman of the Committee is appointed from among the members appointed *intuitu personae*. The members of the Committee are chosen based on their qualifications and expertise in the financial and accounting fields.

Composition of the AMMC Audit Committee:

M. Abdelaziz TALBI

*Director,
Chair of the Audit Committee*

M. Hassan BOUBRIK

*Director,
Member*

4.1.2 The Appointments and Remuneration Committee

The AMMC Board of Directors has also set up an Appointments and Remuneration Committee composed of :

M. Abdelaziz TAZI

*Director,
Chair of the Committee*

M. Abdelaziz TALBI

*Director,
Member*

BOX NO. 2. ACTIVITIES OF THE AUDIT COMMITTEE

The AMMC Audit Committee held two meetings in 2019 with the following agenda:

15 March 2019

- Review of the approval of the AMMC's accounts for the 2018 financial year;
- Validation of the financial and accounting organization standards;
- Review of the 2016 – 2018 Internal Audit report;
- Validation of the 2019 Internal Audit plan.

23 December 2019

- Review of the 2020 draft budget;
- Review of the new Ethics Code draft applicable to AMMC staff members

4.2 The Enforcement Committee

The mission of the Enforcement Committee is to investigate the facts likely to give rise to a sanction imposed by the Chairperson of the AMMC and to propose, at the end of the investigation of the cases, the corresponding disciplinary sanction. It may also express its views to the Chairperson of the AMMC, prior to referral, where appropriate, to the relevant judicial authorities, on any facts that may be qualified as criminal offences.

The Enforcement Committee is independent vis-à-vis the Board of Directors and is composed of three permanent members. Its Chair is a judge appointed by the Minister of Economy and Finance upon the proposal of the Minister of Justice. The two other persons are appointed *intuitu personae*, after being selected by the Board of Directors, for their integrity and expertise in legal and financial matters.

Composition of the AMMC Enforcement Committee:



Mr. Hassan EL AFOUI
Chair



Mr. Abdeljalil CHRAIBI
Member appointed intuitu personae



Mr. Azzedine KETTANI
Member appointed intuitu personae

BOX NO. 3. ACTIVITIES OF THE ENFORCEMENT COMMITTEE

The year 2019 was marked by an increase in the number and complexity of cases investigated by the Enforcement Committee.

As a result, it was noted that most of the parties involved sought the assistance of law firms during the adversarial proceedings before the Enforcement Committee in exercising their rights of defense.

The Committee held 14 meetings in 2019, which can be classified into three types according to their nature and stage of investigation:

Post-referral meetings: these meetings are held after a case has been referred to the Enforcement Committee and are dedicated to reviewing the grievances arising from on-site and documentary inspections. During these meetings and in light of the information reviewed, the Enforcement Committee may request additional information or additional documents from the persons under investigation, the production of which is deemed relevant to the investigation of the case;

Hearing sessions: during the period under review, 10 hearing sessions were held, at which representatives of companies under investigation were able to present their observations and grounds of defense before the Enforcement Committee, in addition to their written statements;

Closing meetings: at these meetings, and in light of the information available, the Committee decides to close the investigation of the case and to deliberate on the opinion to be issued.

Nature of the cases investigated

During the year under review, 17 cases were referred to the Enforcement Committee, including 15 cases involving administrative breaches relating to the activities of market participants and 2 cases involving acts that could be classified as criminal offences.

Opinions rendered

In 2019, the Enforcement Committee issued 15 opinions, broken down as follows:

- 12 assent opinions recommending disciplinary and/or financial sanctions or late penalties against market participants;
- One assent recommending the closure of a non-compliance case for lack of evidence;
- An opinion ruling on the closure of an infringement file and the closure of an infringement case;
- An opinion ruling on the referral of an infringement case to the courts.

4.3 Scientific committee

In 2019, the AMMC has established a Scientific Committee in order to strengthen its contribution to the development of scientific knowledge regarding capital markets.

The main tasks of the Scientific Committee are as follows :

- To inform the Authority on the state of academic research in the field of financial markets and regulation;
- To strengthen its strategic intelligence;
- To produce, supervise or adapt studies to Morocco on topics related to these fields;
- To participate in discussions on market and regulatory issues at symposiums, seminars and scientific journals organized by the AMMC.

The Scientific Committee of the AMMC is co-chaired by :

In accordance with the Authority's 2017-2020 strategic plan, the work of the Scientific

Ms. Nezha HAYAT, Chairperson of the Moroccan Capital Market Authority

Mr. Soulaymane KACHANI, Member of the Board of Directors of the Moroccan Capital Market Authority, Vice-Chancellor and Professor at Columbia University (New York), expert in financial engineering, big data, corporate finance and industrial economics.

Its other members are:

Ms. Rajae ABOULAICH, Professeur à l'Ecole Mohammadia d'Ingénieurs, Université Mohamed V-Rabat, experte en mathématiques appliquées, gestion des risques, ingénierie financière et finance participative.

Mr. Christian DE BOISSIEU, Emeritus Professor at the University of Paris 1 (Panthéon-Sorbonne), former Chairman of the Council of Economic Analysis (Conseil d'analyse économique -France), former member of the Board of the AMF-France, expert in monetary issues, banking and financial regulation and European integration (euro, banking union, etc.).

Mr. Karim EL AYNAOUI, Economist, Chairman of the Policy Center for the New South think tank, Dean of the Faculty of Economic and Social Sciences of the Mohammed VI Polytechnic University and Advisor to the CEO of OCP Group.

Ms. Najat EL MEKKAOUI DE FREITAS, Lecturer-researcher at the Paris Dauphine PSL University and Research fellow at the Economic Research Forum (ERF), expert in risk management, financial accumulation behaviors and investment policies of institutional investors.

Ms. Hélyette GEMAN, Professor of Financial Mathematics at Birkbeck University (London) and Johns Hopkins University (Washington), associate of OCP Group and several oil companies since 2008, expert in the fields of futures, options and commodities.

Mr. Issouf SOUMARE, Tenured professor and director of the financial engineering laboratory at Laval University (Quebec), expert in finance, financial engineering, risk management and international finance.

Committee shall :

- Strengthen the Authority's economic and scientific expertise;
- Foster the development of a culture of evaluation through financial regulatory impact assessments;
- Strengthen and structure the links between the AMMC and the Moroccan and international academic communities.

BOX NO. 4. ACTIVITIES OF THE SCIENTIFIC COMMITTEE

The Scientific Committee of the AMMC held its inaugural meeting on 29 September 2019, with the following items on its agenda :

- Presentation of the Committee members and their research areas;
- Presentation of the AMMC scope of activity and the capital market ecosystem in Morocco;
- Approval of the Scientific Committee's Rules of Procedure;
- Identification of AMMC priority research issues.

5. 2019 HIGHLIGHTS

January

- Public consultation of the circular on financial investment advisors.

February

- Signing of a Memorandum of Cooperation on Mutual Assistance between the AMMC and the Spanish regulator (CNMV).
- Participation of the AMMC in the 42nd Annual Meeting of the IOSCO Africa-Middle East Regional Committee (AMERC) in Kuwait.

March

- Holding of the first AMMC Board of Directors meeting for the year 2019

April

- Launch of the market professional licensing system

May

- Transfer of the AMMC's head office.
- Participation of the AMMC in the annual meeting of the International Organization of Securities Commissions (IOSCO) in Sydney.

June

- Holding of the second Board meeting of the year
- Approval of circular no. 03/19 on financial operations and reporting.
- Introduction of OPCIs.
- Signature of a memorandum of understanding with the FATF.

July

- Selection by the AMMC of the composition of its Scientific Committee.
- Granting by the AMMC of the first OPCI management company approval

August

- Publication in the Official Gazette of circular No. 02/19 relating to OPCIs.
- Publication in the Official Gazette of the Order approving the General Regulations of the Stock Exchange.

September

- Holding of the third AMMC Board meeting for the year 2019;
- Publication by the AMMC of a guide on Anti-Money Laundering and Combating the Financing of Terrorism (AML&CFT).
- Holding of the inaugural meeting of the AMMC Scientific Committee.

October

- Participation of the AMMC in the IMF-World Bank Annual Meetings.
- Participation of the AMMC for the third consecutive year in World's Investor Week, the annual meeting of financial regulators.

November

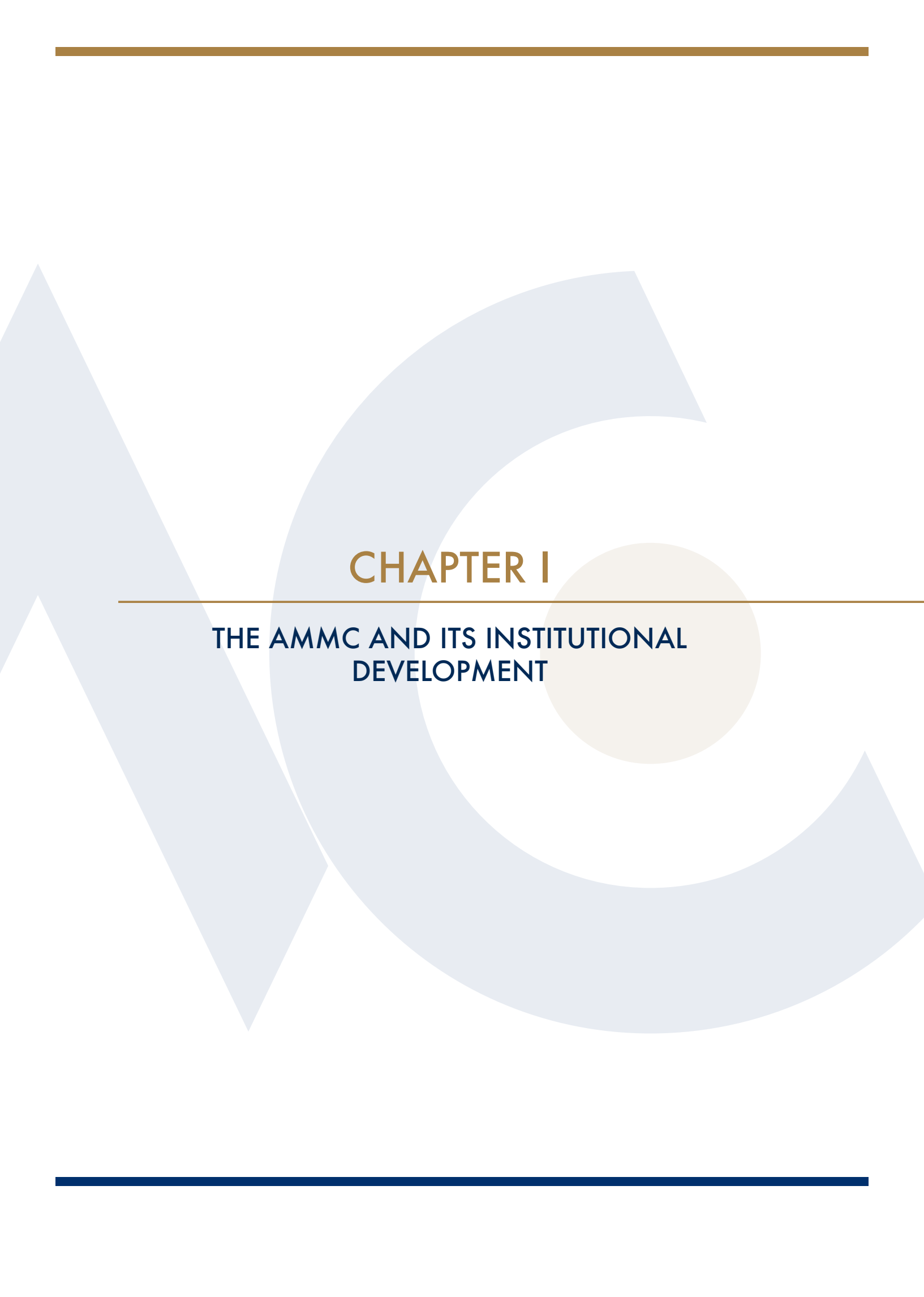
- Organization by the AMMC, in collaboration with the Toronto Centre, of a seminar on the implementation of green capital markets in Africa.
- Signing of a cooperation agreement for preventing and fighting corruption*.
- Presentation by the AMMC of a progress report on its 2017-2020 strategic plan to market professionals and the press.

December

- Holding of the 4th AMMC Board of Directors meeting for the year 2019.
- Publication by the AMMC of a consolidated Repository of laws and regulations.

* Agreement signed by the National Authority for Integrity, Prevention and Fight against Corruption, the Moroccan Capital Market Authority, Bank Al-Maghrib, and the Supervisory Authority of Insurance and Social Welfare (ACAPS)





CHAPTER I

THE AMMC AND ITS INSTITUTIONAL DEVELOPMENT

1. 1. A RISK-BASED APPROACH

1.1 Activities of the Risk and Internal Control Committee

Established in 2017, the Risk and Internal Control Committee is responsible for defining and implementing the AMMC's risk management policy. In 2019, the Committee held three meetings focusing on:

- Monitoring the implementation of the risk-based approach for stakeholder control processes;
- The validation of the biannual systemic risk assessment reports, as well as the financial stability report for the year 2018;
- Steering the implementation of internal risk management and internal control based on risk mapping;
- Monitoring the implementation of the measures adopted by the Committee, as well as the work on the financial stability roadmap drawn up by the Systemic Risk Coordination and Monitoring Committee.

1.2 Implementation of an internal risk management and an internal control system based on a new risk mapping

Following its launch phase at the end of 2018, the risk management and internal control project based on risk mapping was finalized in 2019. This project has thus made it possible to:

- Adopt a new internal risk management system;
- Adopt an internal risk management charter;
- Develop a new internal risk mapping.

In addition, a new approach to the internal control system was adopted through a deployment plan based on the AMMC's specific processes and risks, with a view to deploying appropriate and relevant controls. Accordingly, the controls to be implemented have been defined with their attributes (description, type of control, frequency, controller, etc.) within the framework of an internal control system comprising three lines of defense:

- Self-controls by operational staff and first-level hierarchical controls;
- Second-level controls (permanent control);
- Third-level control (internal audit).

2. THE AMMC'S INFORMATION SYSTEM (IS) MASTER PLAN

In line with its 2017-2020 strategic plan, the AMMC has established its new IS Master Plan for the period 2019-2022 which aims to foster the technological and digital transformation that is increasingly essential in the financial market ecosystem. Several objectives have been defined:

- To cover the needs of the AMMC for the period 2019-2022, both in terms of support processes and market supervision;
- The alignment of the master plan with the AMMC 2017-2020 Strategic Plan;
- Consistency with the new technological trends of the market;
- Digital innovation, as well as the optimization and digitalization of the AMMC's support

-
- processes and business lines;
 - The dematerialization of data exchanges with the market;
 - The implementation of a modern, secure and agile Information System.

The 2019-2022 IS strategic plan gave rise to a portfolio of several structuring projects, some of which were completed in 2019.

2.1 Implementation of a technological platform for the management of market professionals' licensing

As a capital market regulatory authority, the AMMC grants and manages the licensing of market professionals. This mission is based on a modus operandi that consists of organizing examination sessions for regulated professionals.

In this context, the Authority has deployed an integrated digital solution that makes it possible to dematerialize the process of granting and managing professional licensing. This platform enables exchanges with market players, from the submission of the application for licensing to taking the exams on a tablet by regulated persons, including the monitoring and generation of results and statistics.

The solution was designed and implemented in compliance with technical standards and security requirements. It thus meets best practices for a better user experience. This platform was deployed in the first iteration of the professional exams organized in June 2019.

2.2 Strengthening the digitalization of ammc processes for the public

As part of its digital transformation strategy, the AMMC is developing the use of digital tools for its various operational processes. In collaboration with the Digital Development Agency (Agence du Développement du Digital - ADD), a partnership agreement was signed in November 2019 for the development of two platforms to manage public queries to the AMMC.

The first is intended for the handling of claims and complaints from the public and replaces the current system of managing queries via the standard form available on the institution's web portal. As such, the "Complaints Management Extranet Platform" is based on a ticket system and provides users with an enhanced experience with more advanced features (real-time management, monitoring of processing times, etc.).

The second is dedicated to the reception and management of legal queries to the AMMC. The "Extranet Platform for the Management of Legal Queries" is a solution that provides a more streamlined management of queries, while integrating the regulatory requirements provided for this purpose. The platform provides users with enhanced features (bilingual solution, French/Arabic, real-time monitoring of the queries made, fully dematerialized workflow etc.).

The effective deployment of both solutions is planned for the second half of 2020.

2.3 Upgrading of the technical base of the market authority exchange and supervision system (SESAM)

Established in 2014, the SESAM platform is a financial market supervision and control solution. It enables market participants and companies to communicate with the Authority in a structured and automated manner, both for licensing applications and for reporting purposes. It also improves the AMMC's responsiveness by automating certain controls, notably by streamlining processes and consolidating a common database of products and market participants.

The SESAM solution upgrade project made the following possible:

- The improvement of the performance and processing time of the application;
- The guarantee of compliance in terms of security and versioning of the technical base;
- The improvement of the user experience;
- The implementation of new functionalities;
- The introduction of activity monitoring dashboards.

2.4 Outsourcing of the hosting of the ammc datacenter

As part of the project to relocate the AMMC to its new headquarters, an agreement was signed between the Department of Administrative and General Affairs (Direction des Affaires Administratives et Générales -DAAG) and the Authority.

This agreement provides for a Datacenter to be made available by the Ministry of Economy and Finance, for the hosting of the Information Systems technological platform of the Authority.

The project has enabled the AMMC:

- To improve the high availability and continuity of services;
- To rationalize and optimize the management of its resources;
- To comply with norms and standards related to the setting up of Datacenters.

The outsourcing of the AMMC's IT infrastructure hosting was finalized in April 2019.

2.5 Modernization of the ammc's IT infrastructure

During the year 2019, the AMMC strengthened several components of its IT infrastructure, which includes the following :

- The implementation of the latest IP telephony and unified communication system that guarantees redundancy of servers and telephone lines and allows for cost reduction and simplicity of system management;
- The acquisition of new network equipment and the strengthening of information systems security to equip the new AMMC headquarters. This project has made it possible to modernize the IS infrastructure, improve performance and increase security.

These two solutions reinforce the AMMC's compliance with the security recommendations of the Department of Information Systems Security (Direction Générale de la Sécurité des Systèmes d'Information - DGSSI).

3. SOCIAL AUDIT

2019 witnessed the consolidation of structural achievements undertaken by the AMMC since 2016 for the development of its human resources. As such, the workforce was strengthened, and priority was given to training and improving the work environment.

3.1 Staff headcount

Faced with the broadening of its missions and the introduction of new financial instruments and market participants, the AMMC increased its staff headcount by 23% in 2019.

All recruitments were carried out through the Full Web recruitment interface whose features were improved through the introduction of the validation workflow, electronic scoring, automatic mailing and video interview.

In addition, the AMMC took part in various dedicated recruitment forums, thus contributing to enhancing the attractiveness of the Authority's "employer brand".

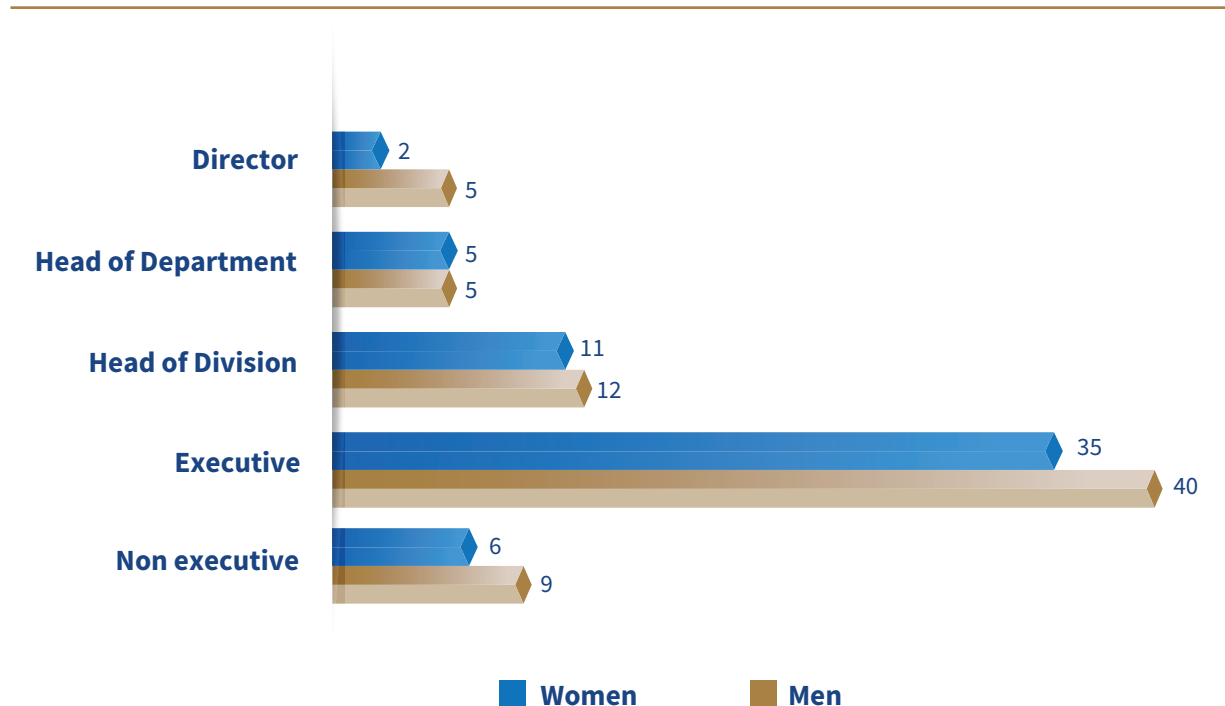
Table 1. Staff headcount between 2016 and 2019

2016	2017	2018	2019
84	88	107	131

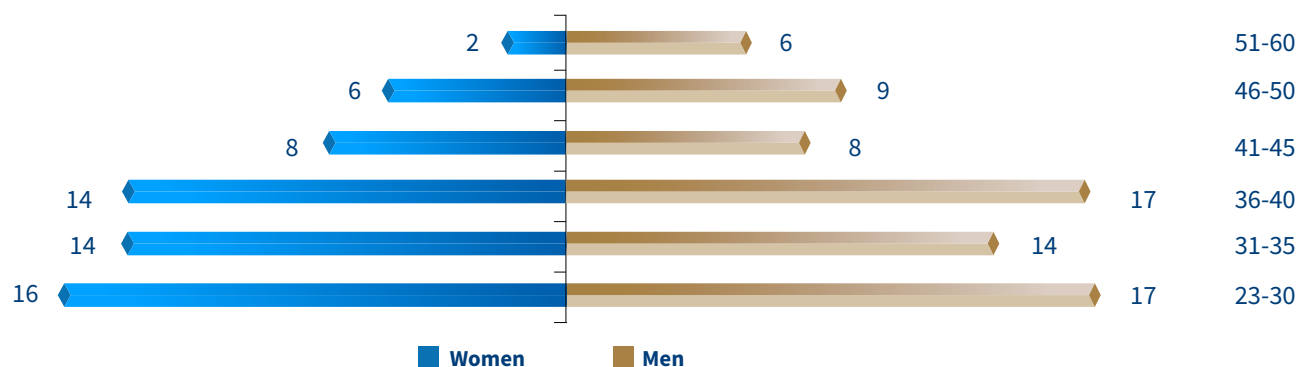
Table 2. Overall breakdown of employees as at 31 December 2019

	Headcount	%
Men	71	54%
Women	60	46%
Total	131	100%

Graph1. Breakdown of positions by gender



Graph 2. Age Pyramid



3.2 Training courses carried out

In 2019, more than 75% of AMMC employees have completed at least one training course. The training courses covered a wide range of areas, the main ones being :

- Legal and taxation aspects;
- Governance and corporate finance;
- Information systems;
- Foreign languages;
- Personal development and capacity building.

Table 3. Training process indicators

Number of employees who completed at least one training course	98 (i.e. 75% of the staff)
Total number of training courses	160

In 2019, 25% of the AMMC's staff took part in training and immersion missions abroad.

3.3 AMMC University

In 2019, the AMMC launched the "AMMC University" concept, a space for sharing experiences and knowledge for the benefit of AMMC staff members. A broad range of topics (market operations, stock exchange techniques, public offerings, Fintech, market regulation, etc.) was established based on the expression of the staff's needs and led to a series of seminars held on the AMMC premises and provided by in-house experts.

This innovative corporate university concept has generated strong internal interest and has made the following possible:

- The sharing of in-house skills and experience;
- The strengthening of the sense of belonging;
- Addressing topical issues and strengthening the general knowledge base.

In addition, the AMMC University has proved to be an accelerator for the onboarding of new recruits.

3.4 Building on staff achievements

In 2019, the AMMC strengthened its staff's achievements through the consolidation of a work environment conducive to well-being and development, while respecting the rights of employees and their health and safety.

The Authority's main achievements in this regard have been in the following areas:

- The relocation to a new head office;
- The provision of a complete medical service and an equipped infirmary;
- The provision of personal safety equipment of the highest standards;
- The holding of the first elections for the staff representatives' office under the new AMMC's Statutes;
- The negotiation and implementation of various contracts for the benefit of the staff (bank loans, insurance, etc.);
- The support by a service provider for the implementation of projects related to the development of human resources, particularly in performance management and career management policy.

Box No 5. THE AMMC, A RESPONSIBLE AND COMMITTED AUTHORITY

The AMMC is committed to the development and the promotion of good governance, sustainable finance and socially responsible practices. These are essential aspects that are part of a strategic vision and give rise to concrete achievements.

Our commitment to the promotion of sustainable development

Sustainable finance is one of the Authority's strategic priorities. As regulator, we strive to develop practices that encourage issuers to take into consideration sustainability issues, we contribute to the development of a conducive context for raising capital for more sustainable activities, and we support all initiatives aimed at promoting sustainable finance. This commitment is reflected in a series of national and international measures and initiatives :

- Involvement in several international bodies: IOSCO, Sustainable Stock Exchanges - United Nations, Sustainable Banking Network, etc.
- Publication of educational and advisory guides (Green Bonds, Green, Social & Sustainability Bonds);
- Participation in promoting sustainable finance with other regulators in order to increase international cooperation: bilateral agreements including a focus on sustainable development, administration of the Marrakech Pledge platform, joint publication with the Toronto Centre of a white paper on the initiative to set up green capital markets in Africa;
- Support for the first green bond issues.

The AMMC, a socially responsible employer

The AMMC is committed to a sustainable approach in terms of employee employability. Among its key areas of focus are the following :

- Skills development and career management;
- A commitment to professional equality and meritocracy through the deployment of a modern and goal-oriented management systems;
- Fostering actions that promote social cohesion (executive conventions, the practice of sports or leisure activities, personal development programs, etc.);
- Promoting gender parity (54% Men /46% Women as of December 31, 2019).

Our commitment to good governance :

With regard to good governance, the AMMC advocates a collegial approach and, through its organization, relies on several committees, whether stemming from its Board of Directors, internal or extended, in charge of a particular theme. In this context, here are a few examples :

- The Audit Committee (AMMC and Board members);
- The Risk Committee (AMMC);
- The Human Resources and Organization Committee (AMMC);
- The Management Committee (AMMC);
- The Controls Monitoring Committee (AMMC);
- The Advisory Licensing Committee (AMMC and professional associations)

4. THE ACCOUNTING AND FINANCIAL POSITION

The AMMC's accounts are prepared in compliance with the provisions of the General Code of Accounting Standards (CGNC) following the normal model and are certified by independent external auditors appointed by the Board of Directors.

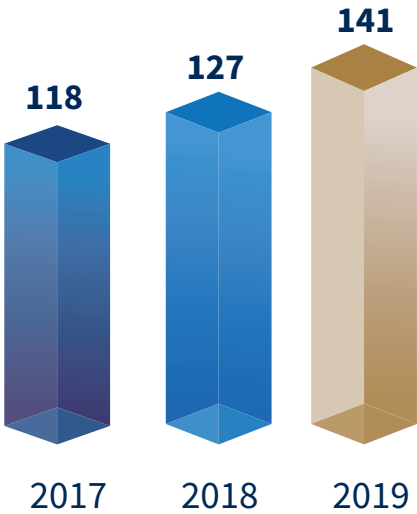
For the 2019 financial year, the AMMC's accounting and financial position shows the following highlights.

4.1 Growth in operating revenues

Revenues increased by 11% in 2019 representing a total amount of MAD 140.8 million compared to MAD 126.7 million in 2018. This increase is mainly due to the increase in the fees on financial transactions and the parafiscal tax which recorded an 80% and 34% increase respectively reaching MAD 11.1 million and MAD 10.6 million. The year 2019 is marked by the approval (visa) of substantial financial transactions and by the increase in transaction volumes.

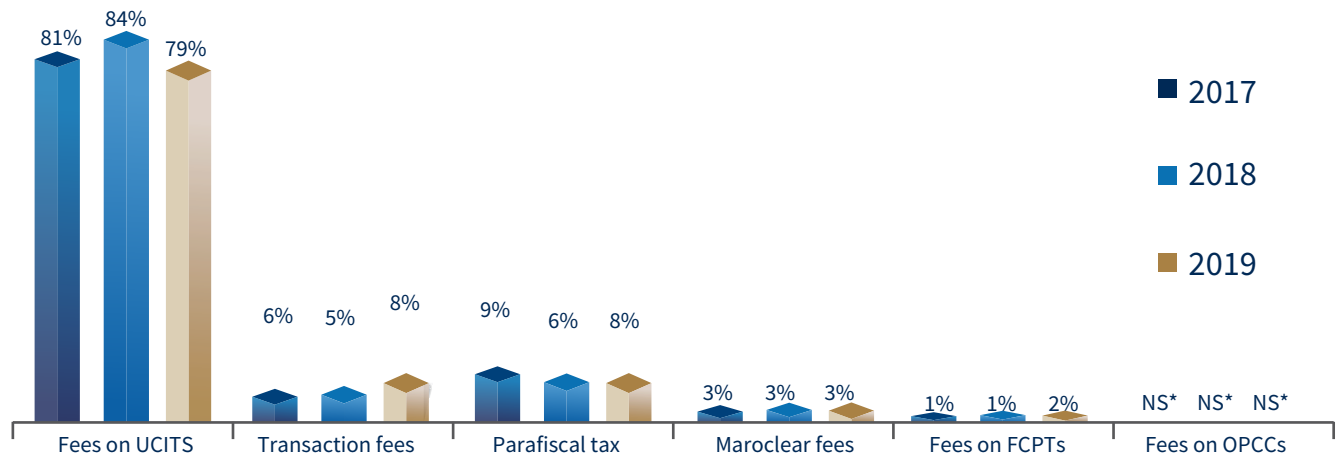
Under the effect of the appreciation of assets under management, the fees on net assets of UCITS continued its positive progression in 2019, reaching MAD 111.8 million versus MAD 106.2 million in 2018 (+5%).

Graph 3. Change in operating revenues (in MAD millions)



In terms of concentration, the share of the fees on net assets of UCITS has declined by 5 points in 2019 in favor of transaction fees and the parafiscal tax, the share of each of which is now 8 points.

Graph 4. Composition of operating revenues



(*)NS: Not Significant

4.2 A decrease of financial income

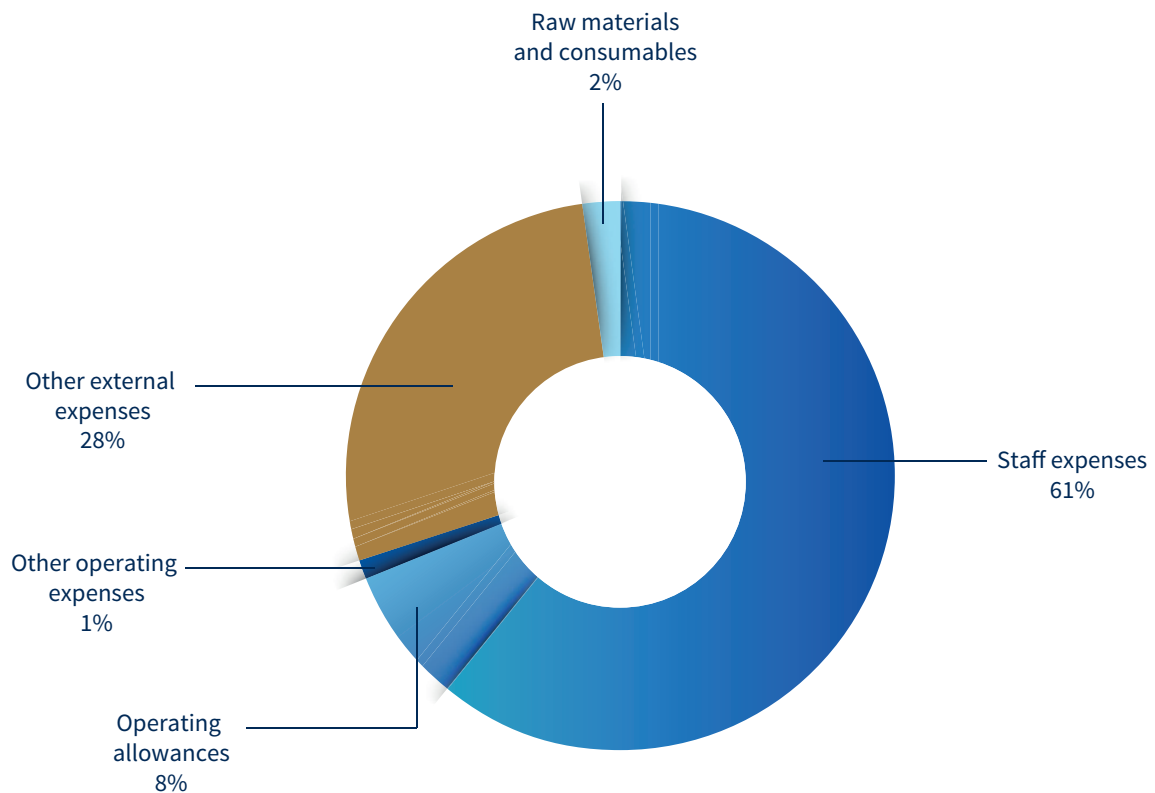
The financial income declined by 7% in 2019 to reach MAD 4.9 million compared with MAD 5.2 million in 2018, as the amount of the invested fund decreased due to the various disbursements related to capital expenditure incurred by the AMMC.

4.3 An increase in operating expenses

As part of the implementation of the AMMC strategic plan, the operating expenses for 2019 increased by 18% to reach MAD 104.6 million compared to MAD 88.7 million in 2018. This increase is due to the increase in payroll expenses, due to the increase in staff headcount, and amortization charges relating to investments made in 2018.

As regards the composition of operating expenses, the share of operating expenses was maintained to the detriment of other external expenses. Payroll costs remain the largest expense item, accounting for 61% of total operating expenses.

Graph 5. Composition of operating expenses



4.4 A positive net income

The net income for the year ended 31 December 2019 was positive and amounted to MAD 27.9 million compared with MAD 27.2 million in 2018, representing a 3% increase.

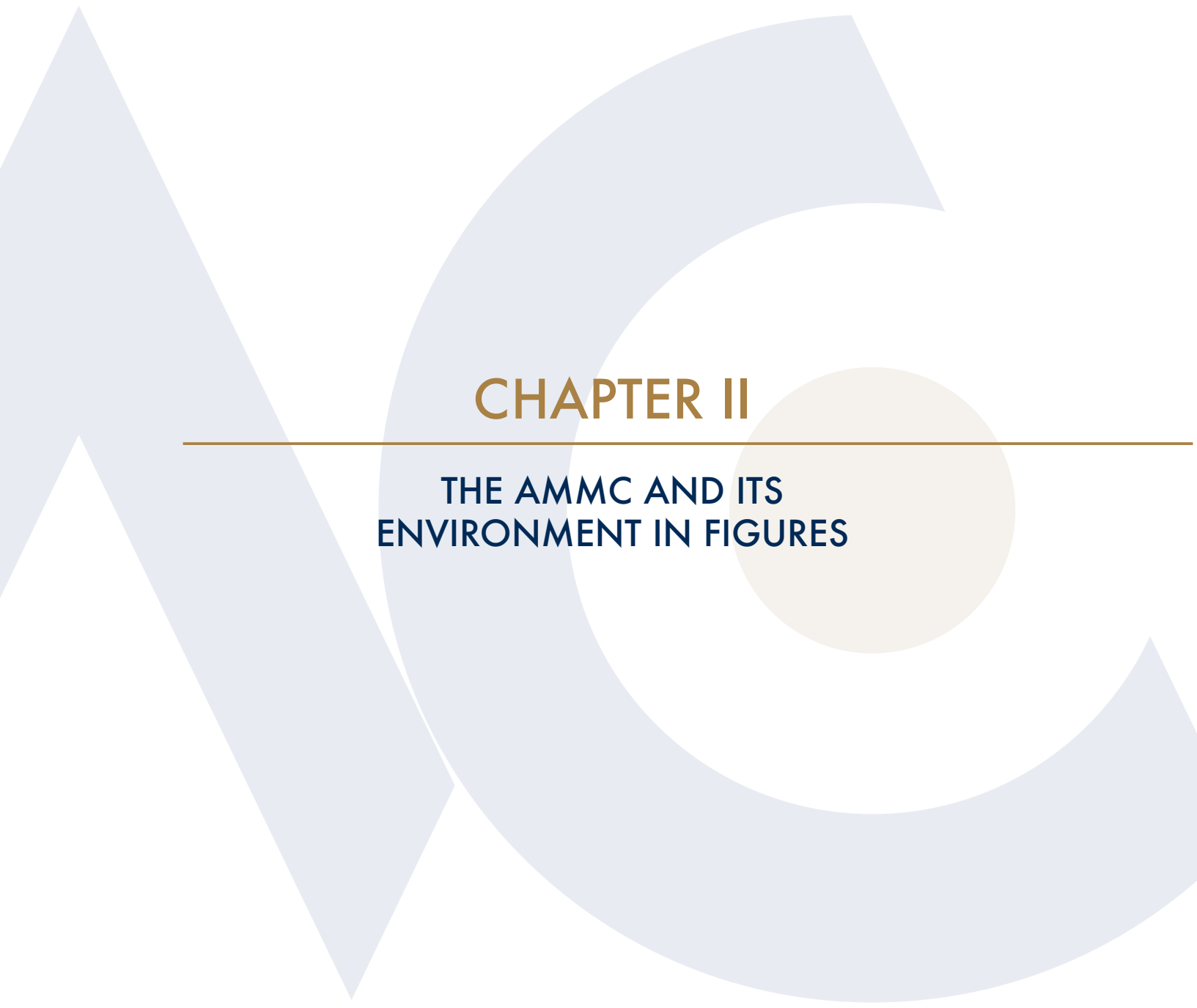
4.5 A stabilization of shareholders' equity and quasi-equity

In 2019, the AMMC's shareholders' equity and quasi-equity amounted to nearly MAD 250 million and takes into account a contribution to the general government budget of MAD 27 million corresponding to the appropriation of earnings for 2018.

4.6 Gaining categorized taxpayer status

The year 2019 is marked by the AMMC obtaining the "categorized taxpayer" class "A" status issued by the Department of General Taxation, thus certifying the regularity and transparency of the Authority's tax position.





CHAPTER II

THE AMMC AND ITS ENVIRONMENT IN FIGURES

BOX NO. 6. CAPITAL MARKET INDICATORS

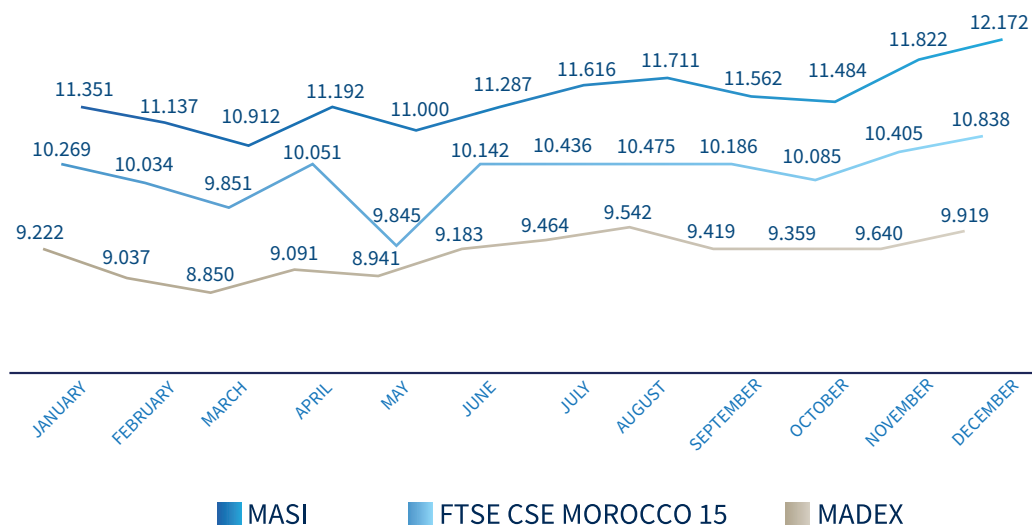
	2019
STOCK MARKET	
Number of listed companies	75
Market capitalization (in MAD billions)	626,69
Market capitalization/GDP ratio	54.42
MASI (annual change)	+7.11%
Total volume CM+BM (in MAD billions)	57.88
Number of transactions CM+BM	146 425
Number of orders (central equity market)	331 959
Stock market liquidity ratio	9.73%
SECURITIES LENDING	
Volume of securities lending transactions (in MAD billions)	307.05
FINANCIAL TRANSACTIONS	
Public offering (Number Amount in MAD billions)	1 2.18
Capital increases (Number Value in MAD billions)	6 10.09
Bond issues (Number Value in MAD billions)	25 25.98
Negotiable debt securities issues (Number of issues Value issued in MAD billions)	19 62.39
Repurchase programs (Number Value in MAD billions)	2 3.48
COLLECTIVE MANAGEMENT	
UCITS net assets (in MAD billions)	470.57
OPCC net assets (in MAD billions)	0.928
FPCT net assets (in MAD billions)	9.5
"Net assets of OPC to GDP" Ratio	40.88%
Number of UCITS	474
Number of OPCCs	8
Number of FPCTs (Funds Compartments)	12 22
PLAYERS	
Brokerage firms	17
Securities Account Keepers	25
Asset management companies	32
INVESTORS	
Number of securities accounts	160 549
- Residents	146 332
- Non-Residents	14 217
Number of holders of UCITS units or shares	19 972
- Residents	18 505
- Non-Residents	1467

1. THE STOCK MARKET

1.1 Index trends

After a correction phase of 8.27% in 2018, the MASI index posted a positive trend in 2019, rising from 11,364.31 points to 12,171.90 points, an increase of 7.11% year-on-year. The peak was reached in December 2019 and stood at 12,171.90 points. The same trend was observed for the MADEX and the FTSE CSE Morocco 15 indices, which rose by 7.43% and 5.52% respectively, compared with a decline of 8.59% and 11.54% in 2018.

Graph 6: Trends in the MASI, MADEX and FTSE CSE Morocco 15 indices in 2019

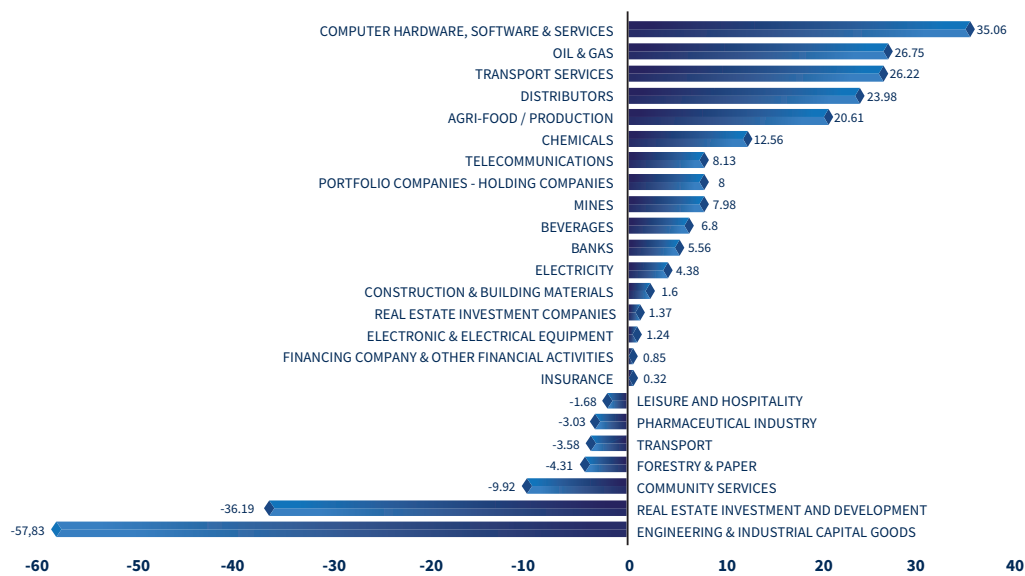


Source: Casablanca Stock Exchange

The 2019 rise in the benchmark index reflects the positive performance of the majority of the sector indices represented, ranging from 0.32% to 35.06%. Five indices rose by more than 20%, including those of two sectors that account for a large share of market capitalization, namely "Agri-Food and Production" and "Oil and Gas".

Seven sector indices underperformed. Among them, two sectors in particular experienced a significant decline : 57.83% for the « Engineering and Industrial Capital Goods » and 36.19% for the "Real Estate Investment and Development" However, these two sectors account for a small share of the market capitalization.

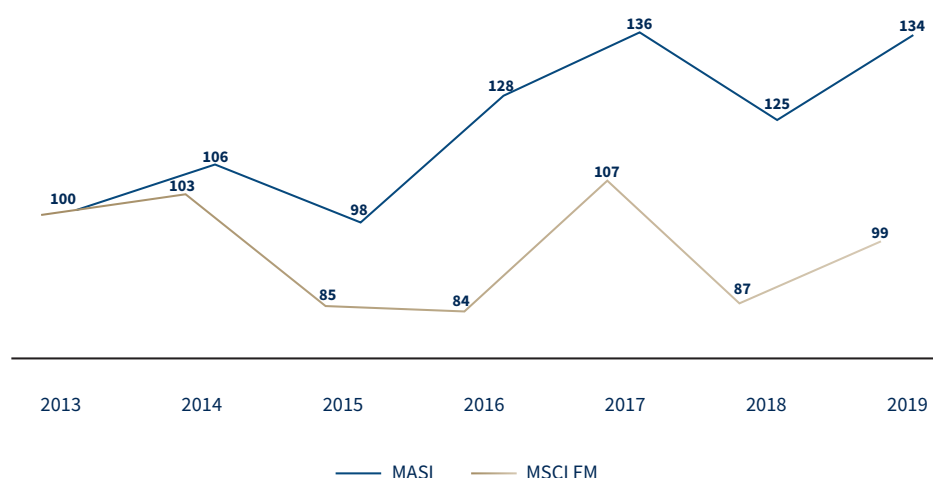
Graph 7. Trends in sector indices in 2019



Source: Casablanca Stock Exchange

Internationally, 2019 was marked by an upward trend. Thus, the MSCI FMUSD, the Frontier Markets Index, in which the Moroccan market is categorized, recorded an annual increase of 13.54%, after a 16.20% underperformance in 2018. The Emerging Markets Index (MSCI EMUSD) and the Advanced Markets Index (MSCI WorldUSD) rose by 15.42% and 25.19% respectively in 2019, after falling by 14.57% and 16.20% in 2018.

Graph 8. Trends in the MASI and MSCI FM indices (Base 100 = 2013)



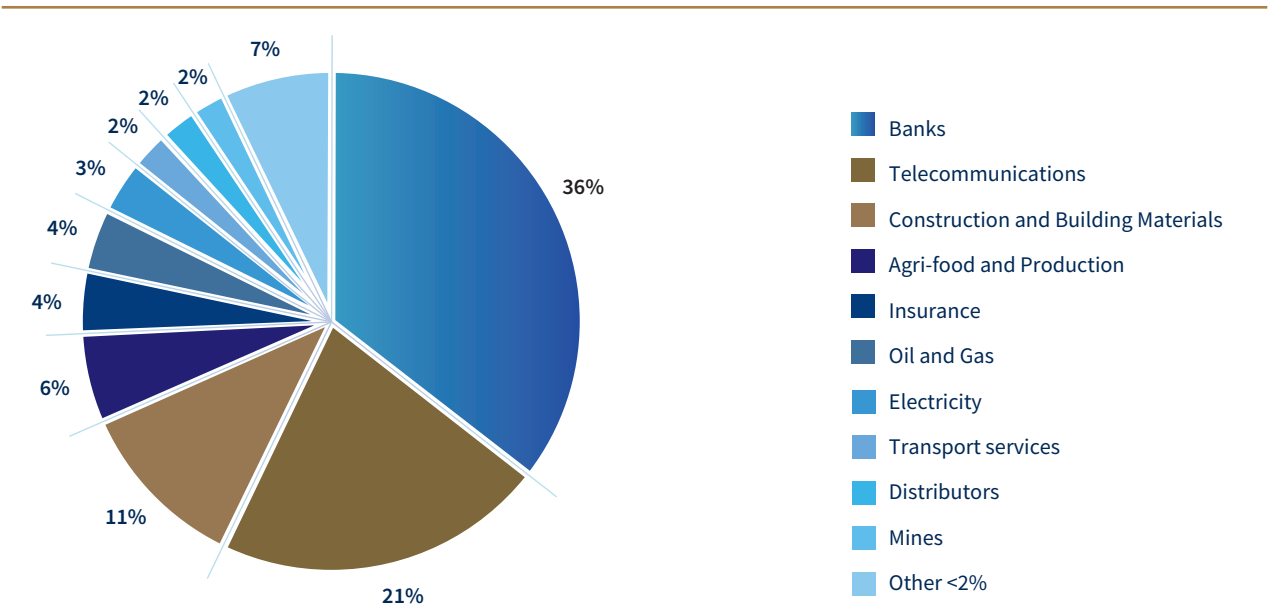
Source: Casablanca Stock Exchange and MSCI Inc.

1.2 Trends in market capitalization

The market capitalization increased from MAD 582 billion at the end of 2018 to MAD 626 billion at the end of 2019, registering a 7.65% increase.

This performance concerned all of the sectors, and in particular the "Banking" and "Telecommunications" sectors which account for a significant share of the market capitalization.

Graph 9. Breakdown of market capitalization by sector in 2019



Source: Casablanca Stock Exchange

1.3 Trends in transaction volume and liquidity

In 2019, the overall transaction volume (Central Market, Block Market, IPOs and Issues, Capital Contributions, Transfers, Public Offerings and Capital Increases) amounted to MAD 75 billion, up 43.10% compared to 2018.

This uptrend covers the stock market' shares volume and capital increases, up by 203,44% and 181,59% respectively compared to 2018.

The share of the central market in the transaction volume (central market and block market) decreased from 79% in 2018 to 53.42% in 2019.

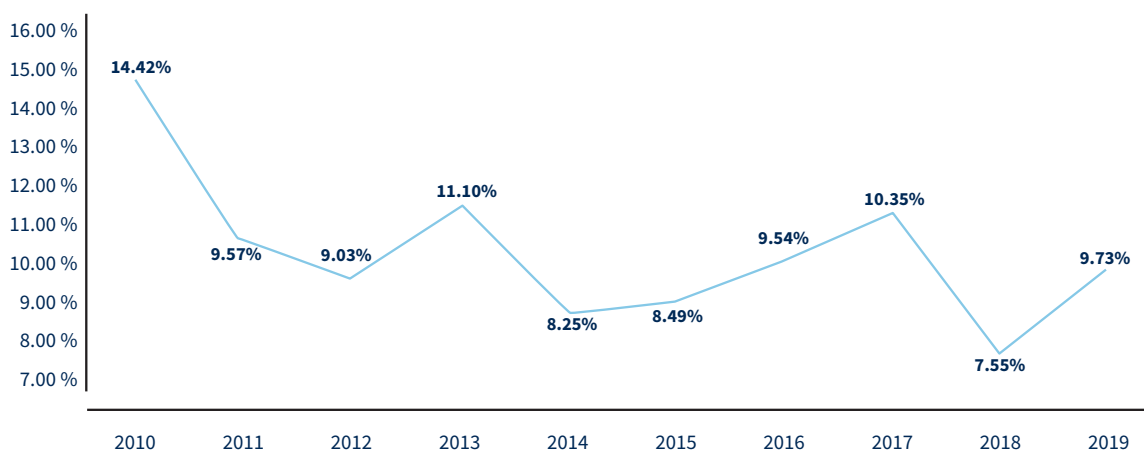
Table 4. Trends in transaction volumes by category (in MAD millions)

	2015	2016	2017	2018	2019
Equity Volume					
1. Central Market	28 758	32 082	39 489	37 122	31 200
2. Block market	11 751	18 379	24 051	8 791	26 676
Total A = (1+2)	40 509	50 461	63 540	45 913	57 876
3. IPOs	893	1 930	-	799	-
4. Capital contributions	923	4 798	1 213	251	4 135
5. Public offerings	2 408	440	67	25	2 383
6. Transfers	106	687	622	430	622
7. Capital increase	2 045	9 877	1 435	3 497	9 848
Total B = (3+4+5+6+7)	6 375	17 732	3 337	5 002	16 988
I. Total equity volume (A+B)	46 884	68 193	66 877	50 915	74 864
Bond Volume					
8. Central Market	2 690	2 121	308	55	3
9. Block market	1 706	1 484	1 684	950	527
Total C (8+9)	4 396	3 605	1 992	1 005	531
10. Issues	810	938	658	767	-
11. Capital contributions	1	-	210	-	-
Total D = (10+11)	811	938	868	767	-
II. Total bond volume (C+D)	5 207	4 543	2 860	1 773	531
III. Grand Total	52 091	72 736	69 737	52 688	75 395

Source: Casablanca Stock Exchange

With the increase in transaction volume, stock market liquidity improved in 2019, with a liquidity ratio of 9.73% over the year, compared with 7.55% in 2018.

Graph 10. Trends in the stock market liquidity ratio



Source: Casablanca Stock Exchange

1.4 Types of investors

1.4.1 On the Central Market of the Casablanca Stock Exchange

The overall transaction volume at the central market of the Casablanca Stock Exchange stood at MAD 31.2 billion in 2019, down 16% compared to 2018. By investor profile, Moroccan legal entities accounted for 40% of the volume traded, down 8% compared to 2018. This category is ahead of UCITS whose weight increased from 31% in 2018 to 36% in 2019. Foreign legal entities and Moroccan individuals have, for their part, shares of 13% and 7% respectively.

Table 5. Breakdown of central market transaction volume by investor category

	UCITS	Moroccan legal entities	Moroccan natural persons	Foreign legal entities	Foreign natural persons	Bank network	Total
2017	34%	31%	20%	11%	1%	3%	100%
2018	31%	48%	9%	10%	NS*	2%	100%
2019	36%	40%	7%	13%	1%	3%	100%

(*)NS: Not Significant

(Excluding contributions, IPOs, public offers and capital increases in cash)

Source : Brokerage firms

Table 6. Breakdown of the stock exchange buying and selling volume by investor category on the central market (in MAD millions)

Category	Buying			Selling		
	2018	2019	Change	2018	2019	Change
UCITS	10 604.33	12 796.70	21%	12 042.26	9 690.06	-20%
Moroccan legal entities	19 516.77	12 578.48	-36%	15 836.31	12 685.71	-20%
Moroccan natural persons	3 563.32	1 846.50	-48%	3 430.79	2 593.20	-24%
Foreign legal entities	2 967.66	3 604.49	21%	4 423.32	4 409.67	NS
Foreign natural persons	161.59	202.24	25%	167.29	264.72	58%
Bank network	363.21	174.38	-52%	1 276.91	1 559.43	22%
Total	37 176.88	31 202.79	-16%	37 176.88	31 202.79	-16%

(Excluding contributions, IPOs, public offers and capital increases in cash)

Source : Brokerage firms

1.4.2 Foreign Investors at the Casablanca Stock Exchange

At the end of 2019, the total amount of foreign investment in listed equities reached MAD 200.19 billion, up 5.61% compared to the figure recorded at the end of 2018. As a percentage of the total market capitalization, the share of foreign investment stood at 31.94%. This increase is due to the appreciation of listed shares prices in the portfolios of foreign investors.

Strategic holdings accounted for the bulk of foreign investment in listed equities. They represented 91.52% of the total amount. Moreover, the floating share of foreign capital invested in the Casablanca Stock Exchange stood at 2.71% of the total market capitalization and 11.33% of the floating capitalization.

Table 7. Type of investments by foreigners and MREs in listed Moroccan equities (in MAD millions)

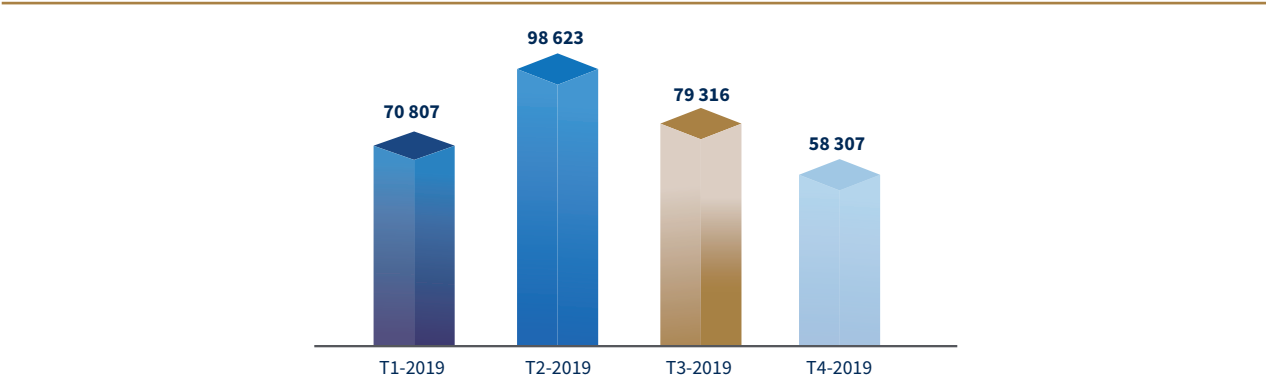
Type	31/12/2018		31/12/2019	
	Value	%	Value	%
Investments by foreigners and MREs held in Morocco, including :	189 563	100%	200 192	100%
- Strategic share	174 095	91.84%	183 223	91,52%
- Floating	15 468	8.16%	16 969	8.48%
Market capitalization	582 155		626 693	
Floating market capitalization	136 055		149 758	
Foreign and MRE investment / Market capitalization	32.56%		31.94%	
Strategic share/ Market capitalization	29.90%		29.24%	
Floating/Market Capitalization	2.66%		2.71%	
Floating/Floating Market Capitalization	11.37%		11.33%	

Source: Account keepers, Casablanca Stock Exchange, AMMC Calculations

2. SECURITIES LENDING

In 2019, the volume of securities lending transactions reached MAD 307 billion, down nearly 15% compared to 2018. At the end of December 2019, outstanding securities lending transactions amounted to MAD 27 billion.

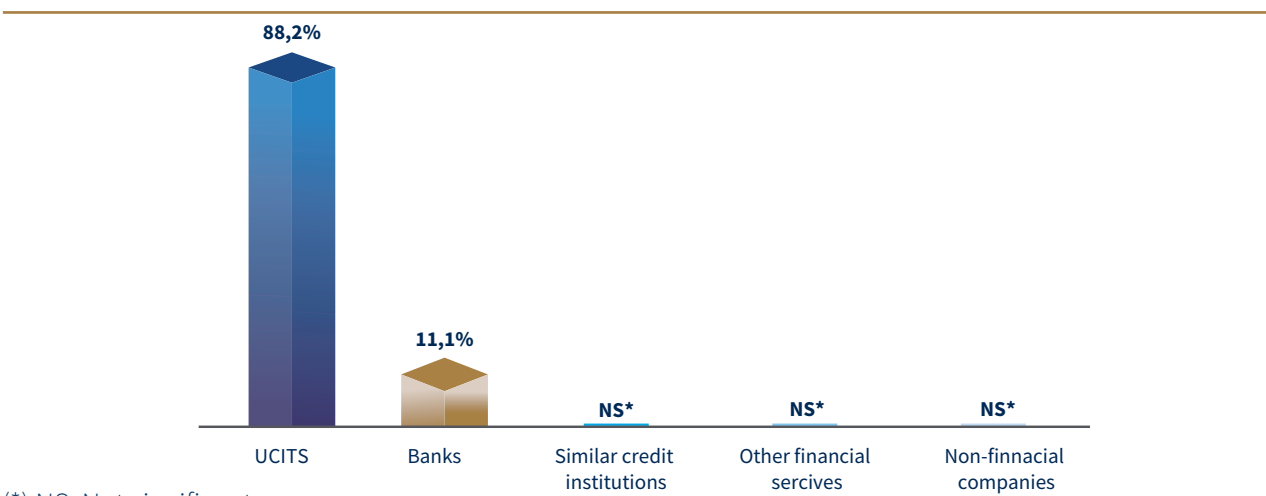
Graph 11. Total volume of securities lending transactions (in MAD millions)



Source: Banks, AMMC calculations

The breakdown of trading volumes by customer category remained the same as in 2018, with banks predominating as borrowers (61.5%) and UCITS as lenders (88.2%).

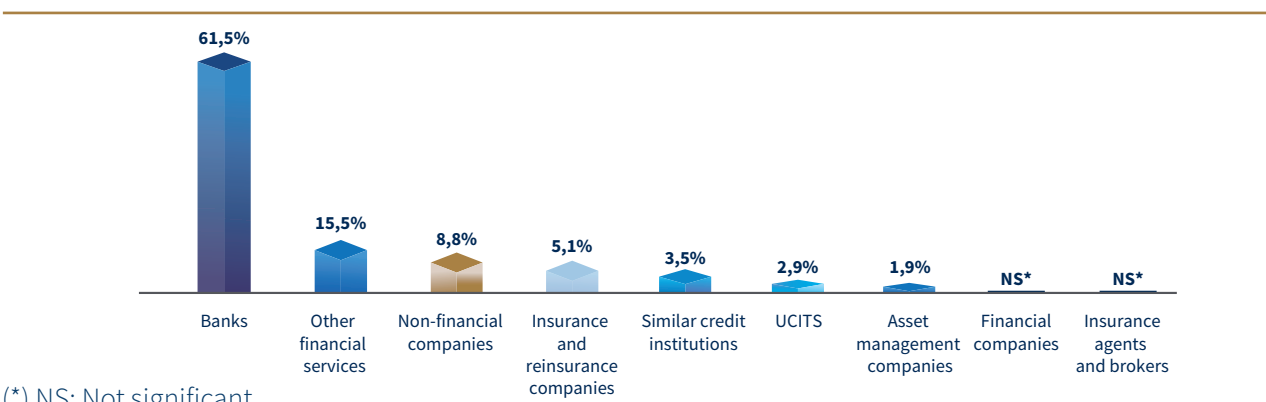
Graph 12. Part of the traded volume by customer category (lending)



(*) NS: Not significant

Source: Banks, AMMC calculations

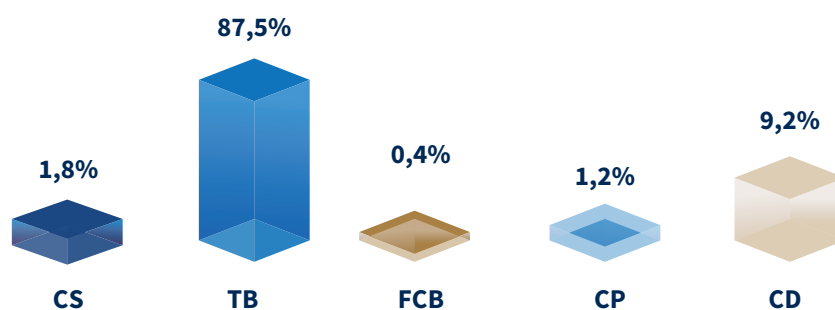
Graph 13. Part of the traded volume by customer category (lending)



(*) NS: Not significant

Source: Banks, AMMC calculations

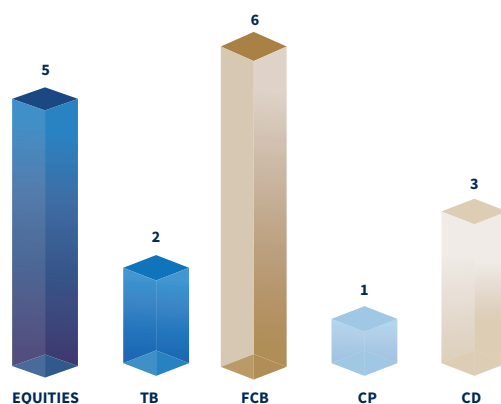
Graph 14. Part of the traded volume by customer category (lending)²



Source: Banks, AMMC calculations

The average duration for a securities lending transaction varied from 1 to 6 weeks depending on the type of financial instrument. The longest holding periods were recorded for Treasury bills with 52 weeks, negotiable debt securities with 28 weeks and equities with 22 weeks.

Graph 15. Average duration in weeks by securities category



Source: Banks, AMMC calculations

3. PUBLIC OFFERINGS

In 2019, the AMMC handled a total of 64 financial transactions. In terms of volume, capital securities transactions increased significantly compared to 2018. The volume of transactions in debt securities also increased as a result of issues of negotiable debt securities, which offset the decline observed in the bond segment. Debt issuance negotiable to account for the majority of the overall volume issued during the year.

CS: common shares, TB : treasury bills, FCB: finance company bills, CP : commercial paper, CD: certificates of deposit

2019 was also marked by significant changes in the public offering regime following the adoption of AMMC Circular No. 03/19 on financial transactions and reporting. Approved by Order No. 1704-19 of the Minister of the Economy and Finance, the circular was published in the Official Bulletin of the June 7, 2019 and was the subject of public consultations and discussions with stakeholders. This Circular had two main objectives :

- Implement the overhaul of the legislative and regulatory framework governing public offerings ;
- Adapt current rules in the light of market developments, of the observed practices and the needs of market participants.

3.1 The new circular on public offerings

The Circular has been prepared in line with the AMMC's 2017-2020 Strategic Plan, mainly with regard to the following two areas:

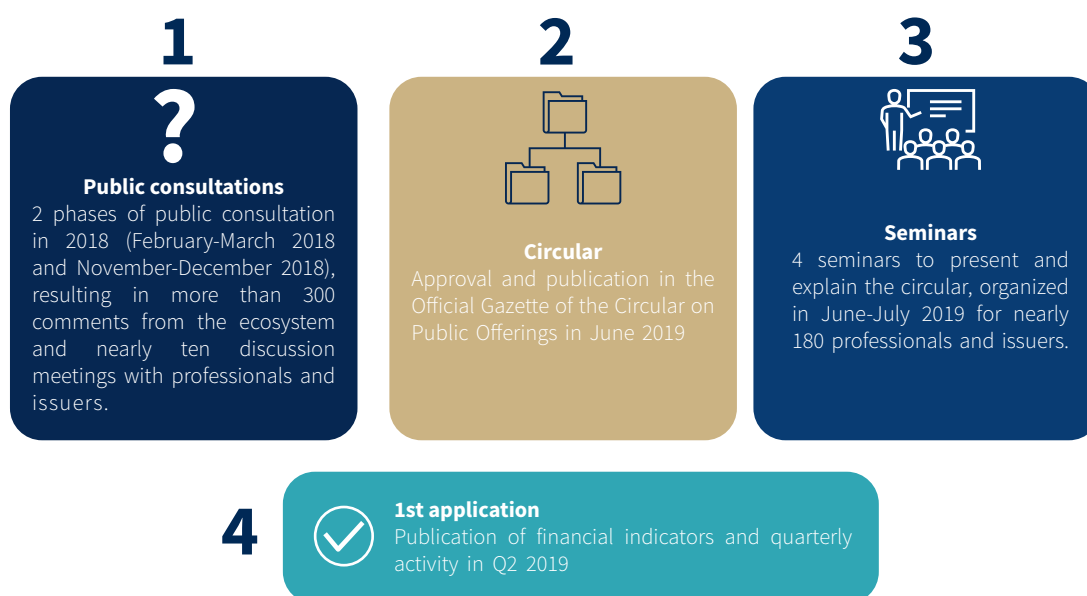
- Area No. 1: Building confidence in the capital market, the first pillar of which is “Building a transparent market”;
- Area No. 2: Developing regulation in support of market dynamics, the first pillar of which is “Fostering financial innovation and diversification of financial instruments”.

In addition, the circular introduced several new features focused on three main areas:

- Improving transparency for issuers by introducing new requirements for more frequent and meaningful communication with the market and for a wider and more efficient dissemination of information;
- Improving the governance of issuers with the implementation of recent legislative changes regarding the composition of boards of directors, in particular the requirement for publicly traded companies to appoint independent directors and to set up an audit committee. The Circular also provides a framework for relations between the AMMC and the statutory auditors of publicly traded companies, both in terms of early warning mechanisms and the AMMC's prerogatives with regard to the mandates of statutory auditors;
- Optimizing the process for approving financial transactions by improving the relevance of the information required in prospectuses, introducing new more flexible schemes for disseminating information to the market, and revising the Authority's processing times.

BOX NO. 7. CIRCULAR NO. 03/19 ON FINANCIAL TRANSACTIONS AND REPORTING

The Circular was developed using a participatory approach involving the various stakeholders. It was the subject of two phases of consultation during 2018. Four presentation seminars were organized for the benefit of the concerned parties, immediately after its publication in the official gazette.



A number of new features have been introduced in three main areas :

Improving issuer transparency

Communication frequency :

- More frequent communication of issuers with the market
- Publication of quarterly indicators relating to their business and financial position, in addition to the annual and half-yearly reports.

Content of publications :

- Enhancement of half-yearly and annual publications' content.

New communication channels with the market :

- Introduction of electronic media for the dissemination of regulated information.

Upgrading issuer governance

Independence of directors:

- Implementing the provisions of the latest amendment to the law on corporations (SA).

Audit committees:

- Operationalizing the requirement for listed companies to have an audit committee comprising at least two independent directors, including the chairman of the committee.

ESG report :

- Publishing of an annual report on the impact of the issuer's activities on the environment, on relations with employees and external stakeholders, and on corporate governance.

AMMC's Relationship with statutory auditors :

- Enhancing the obligations of the statutory auditors with regard to the AMMC's warning mechanisms
- The AMMC's "Right of Review" of statutory auditor's appointments, renewals or resignations

Optimizing the financial transaction approval process

Information required from issuers:

- Review of standard models of information documents and breakdown according to the nature of the transactions and/or investors.

New ways of communicating information to the market:

- Outline of the reference document, issue note and inclusion of information by reference.

Optimizing processing times:

- Review of processing times by the AMMC and breakdown according to the nature of the information documents.

3.2 Capital securities transaction

The year 2019 was marked by an increase in the volume of capital securities transactions despite the decline in the number of transactions and the absence of IPOs. The overall volume exceeded MAD 12 billion, up 1.3 times, continuing the trend observed in 2018.

This increase is mainly due to :

- Capital increases in cash which reached more than MAD 9 billion in 2019 versus MAD 2.6 billion in 2018, as a result of the transactions of three banks (BCP, BMCE and CIH) which issued a total amount of MAD 8.4 billion to be subscribed in cash;
- Capital increases by converting dividends following the transaction of BMCE Bank of Africa which offered its shareholders the possibility to subscribe by converting their dividends for a maximum amount of MAD 897 million;
- Public offering following the Kingdom of Morocco's sale of 2% of Itissalat Al Maghrib's capital to the public. This transaction is in addition to the sale of a 6% share on the block market to certain qualified investors.

Table 8. Capital securities transactions

Transactions subject to the AMMC visa	Number of transactions handled		Transaction values (in MAD millions)	
	2018	2019	2018	2019
IPOs	2	-	800	-
CAPITAL INCREASES	5	6	3 183	10 094
<i>In cash</i>	2	6	2 668	9 197
<i>By merger absorption</i>	3	-	515	-
<i>By dividend conversion</i>	-	1	-	897
OFFERS FOR SALE TO THE PUBLIC	-	1	-	2 181
PUBLIC OFFERINGS	3	-	1256	-
<i>Take-over bid</i>	3	-	1256	-
Total capital securities transactions	10	7	5 239	12 275

Source : AMMC

3.3 Issues of debt securities

The overall volume of debt securities issuance increased by 31% in 2019, reaching MAD 88 billion, versus MAD 67 billion in 2018.

The bond transactions segment witnessed a 16% increase in amounts raised to nearly MAD 26 billion in 2019, while issues of negotiable debt securities rose by 39% to reach MAD 62 billion, versus MAD 45 billion in 2018.

Table 9. Debt securities transactions

Transaction types	Number of transactions handled*		Transaction values (in MAD millions)	
	2018	2019	2018	2019
Bond issues	19	25	22 465	25 978
<i>By public offering</i>	12	16	14 650	18 928
<i>By private placement</i>	7	9	7 815	7 050
Issues of marketable debt securities*	23	19	44 909	62 389
<i>Commercial paper</i>	6	6	2 612	3 313
<i>Certificates of deposit</i>	12	8	36 970	49 334
<i>Finance company bills</i>	5	5	5 327	9 741
Total issues of debt securities	42	44	67 374	88 366

(*): The number of transactions handled corresponds to the number of information documents handled by the AMMC, while the transaction values correspond to the values issued (source: Maroclear).

Source: Maroclear and AMMC

3.4 Other financial transactions

During the 2019 financial year, the volume of other financial transactions handled increased sharply from MAD 560 million to MAD 3.8 billion. This increase is mainly due to the share repurchase program of the Banque Centrale Populaire, for a maximum amount of MAD 3.2 billion.

The transactions of foreign groups reserved for their employees amounted to MAD 363 million, up 31% compared to 2018.

Table 10. Other financial transactions

Transaction types	Number of transactions handled		Transaction values (in MAD millions)	
	2018	2019	2018	2019
SHARE REPURCHASE PROGRAMS	1	2	284	3 482
PUBLIC OFFERINGS BY FOREIGN GROUPS	13	11	276*	363*
Total of other financial transactions	14	13	560	3 845

(*)Sum of the maximum amounts permitted under the General Foreign Exchange Policy Statement.
Source: AMMC

4. COLLECTIVE MANAGEMENT PRODUCTS

4.1 Undertakings for collective investment in transferable securities (UCITS)

4.1.1 UCITS in the Moroccan economy

In 2019, the share of UCITS in the Moroccan economy continued its upward trend. UCITS net assets accounted for 40.88% of GDP at end-2019, versus 39.28% at end-2018. This positive trend is explained by an annual increase in UCITS net assets, higher than that of GDP (8.23% vs. 3.85%).

Table 11. Trends in GDP, UCITS net assets and the [UCITS net assets/GDP] ratio

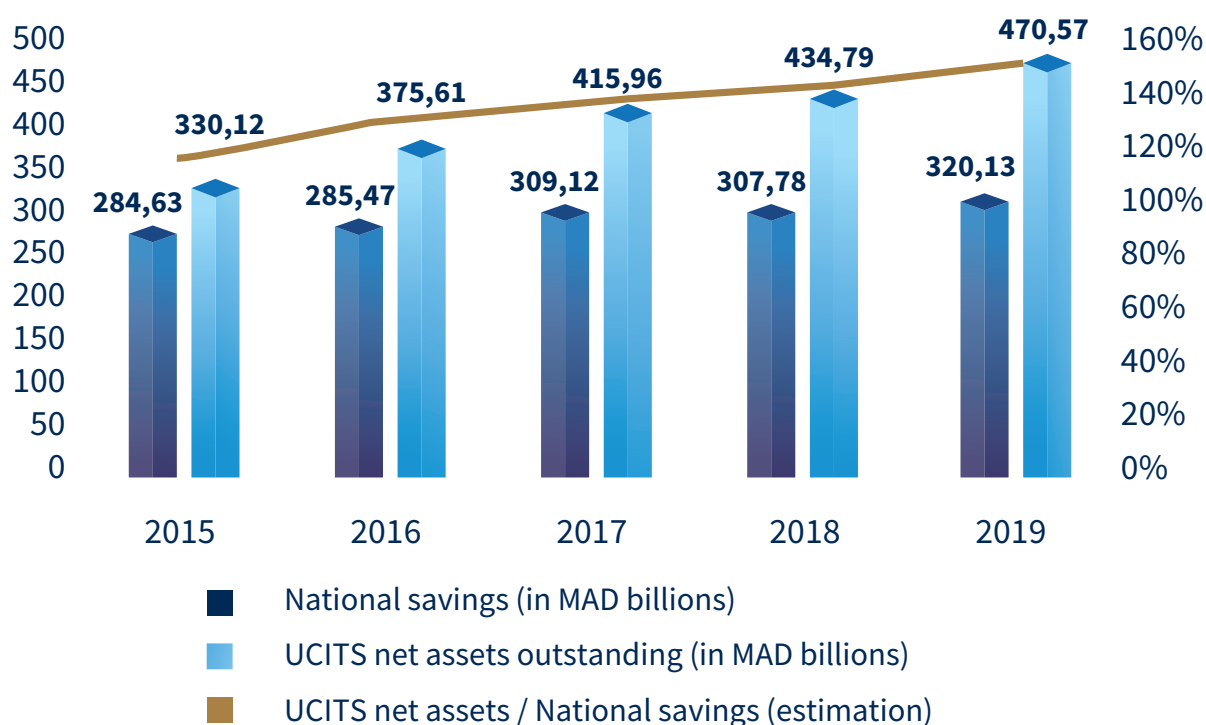
	2017	2018	2019
GDP (in MAD billions)	1 063.05	1 108.46	1151.17*
Net assets of UCITS (in MAD billions)	415.96	434.79	470.57
Ratio of UCITS net assets/GDP (In %)	39.12%	39.28%	40.88%

(*): Estimation

Source: UCITS asset management companies/High Commission for Planning

The ratio of UCITS net assets to domestic savings rose by 5.73 percentage points year-on-year to 146.99% at end-2019. This increase was due to the 8.23% growth in UCITS net assets over the year, coupled with a smaller increase in national savings (4.01%).

Graph 16. Trends in the [UCITS net assets / total national savings] ratio



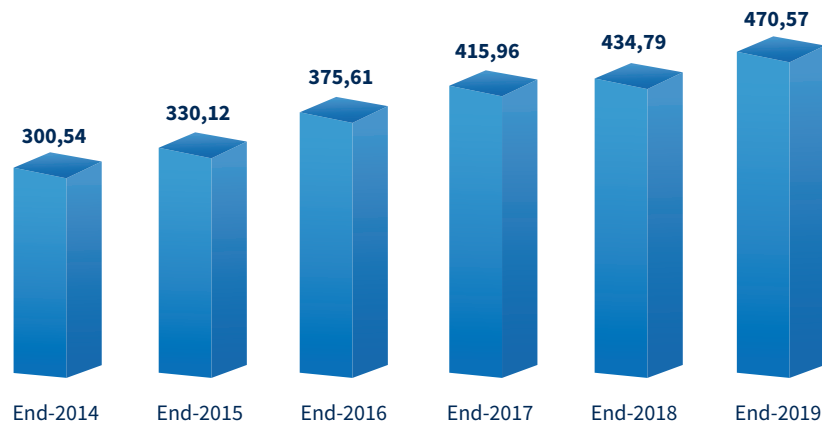
Sources: UCITS asset management companies/High Commission for Planning.

4.1.2 Overall trends in UCITS net assets

UCITS net assets have grown by 56.58% over the last five years, going from MAD 300.54 billion at the end of 2014 to MAD 470.57 billion at the end of 2019. The increase in total assets under management is mainly driven by bond UCITS whose net assets increased by nearly MAD 150 billion, i.e. 87.68% of the overall change (MAD 128.03 billion for the MLTB category and MAD 21.05 billion for the STB category).

As for assets under management of the other categories, they increased by MAD 20.95 billion over the last five-year period. Its development was a result of an increase in the assets of equity UCITS (MAD 16.34 billion), diversified UCITS (MAD 17.64 billion) and contractual UCITS (MAD 1.19 billion), as well as a MAD 14.21 billion decrease in the assets under management of money market UCITS.

Graph 17. Trends in UCITS net assets (2014-2019)



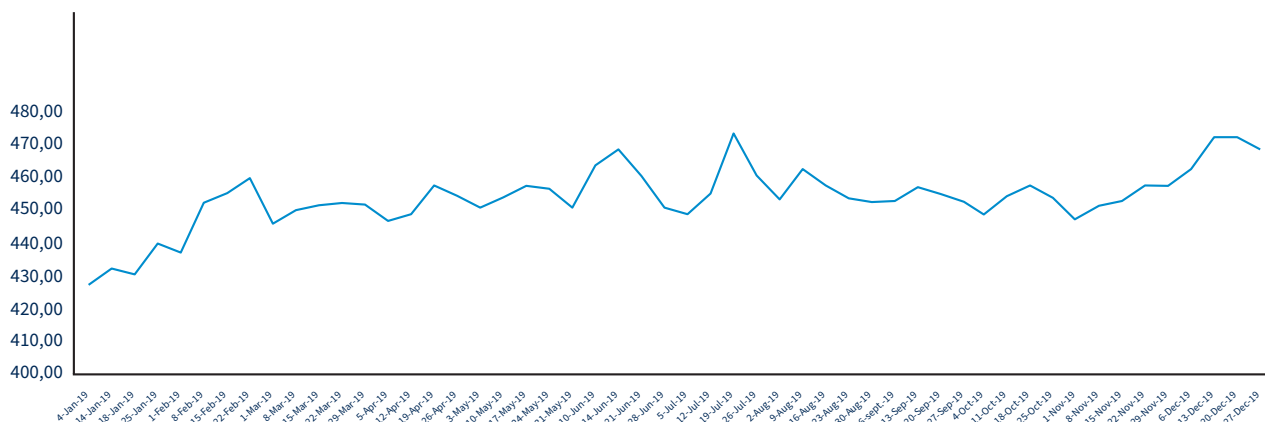
Sources: UCITS asset management companies

4.1.3 Trends in UCITS net assets

UCITS net assets grew by 8.23% to MAD 470.57 billion at the end of 2019, versus MAD 434.79 billion at the end of 2018.

This MAD 35.78 billion increase is largely explained by the MAD 33.73 billion increase in assets under management of MLTB UCITS.

Graph 18. Trends in UCITS net assets in 2019



Source: UCITS asset management companies

4.1.4 Breakdown of UCITS by category

At the end of the 2019 financial year, there were 474 UCITS in operation, compared with 450 in 2018. This change is the result of the launch of 25 new funds (ten Diversified, eight MLTB, five Short-Term Bonds and two Money Market) and the liquidation of one fund.

As regards the breakdown of UCITS according to their legal nature, the 428 FCPs (mutual funds) continue to dominate, compared with 46 SICAVs (open-ended collective investment scheme).

The preponderance of the MLTB UCITS category was also maintained both in terms of the number of funds (161 UCITS) and total assets under management (MAD 277.87 billion, or 59.05% of total net assets at the end of 2019).

The different UCITS categories have developed as follows :

- **“Equity” UCITS :**

At the end of 2019, the net assets of equity UCITS recorded a positive change of 18.17%, reaching MAD 37.46 billion, versus MAD 31.68 billion in 2018. The increase is due to the annual performance of this category (12.50%) as well as the net subscriptions which amounted to MAD 1.95 billion. moreover, an increase from 91 in 2018 to 92 in 2019 of equity UCITS number has been noticed, due to the change of category of one fund.

- **“Diversified” UCITS :**

Following the launch of ten new UCITS and the switch of 3 existing UCITS to the Diversified category, the number of funds in this category stood at 98 UCITS at the end of 2019. Despite a net outflow of MAD 1.10 billion, the "Diversified" UCITS category recorded a 4.10% increase in its total assets under management over the same period, with assets of MAD 28.95 billion, mainly due to its annual performance of 8.21%.

- **“Money market” UCITS :**

The launch of two money market funds in 2019 brought the number of UCITS in this category to 61. Its total net assets recorded a negative change of 2.38%, from MAD 60.92 billion in 2018 to MAD 59.47 billion in 2019, i.e. a decrease of MAD 1.45 billion. This decline is explained by net redemptions amounting to MAD 2.75 billion, the effect of which was mitigated by the positive annual performance of the category, which was of 2.21%.

- **“STB” UCITS:**

With the launch of five new UCITS and the change of category from MLTB UCITS to STB UCITS, the number of STB funds increased to 56 at the end of 2019. During the year, the category's net assets fell by 4.24%. Its total outstanding assets fell from MAD 67.48 billion at the end of 2018 to MAD 64.62 billion at the end of 2019. This decline is the consequence of a net outflow of MAD 4.79 billion, mitigated by an annual performance of 2.77%.

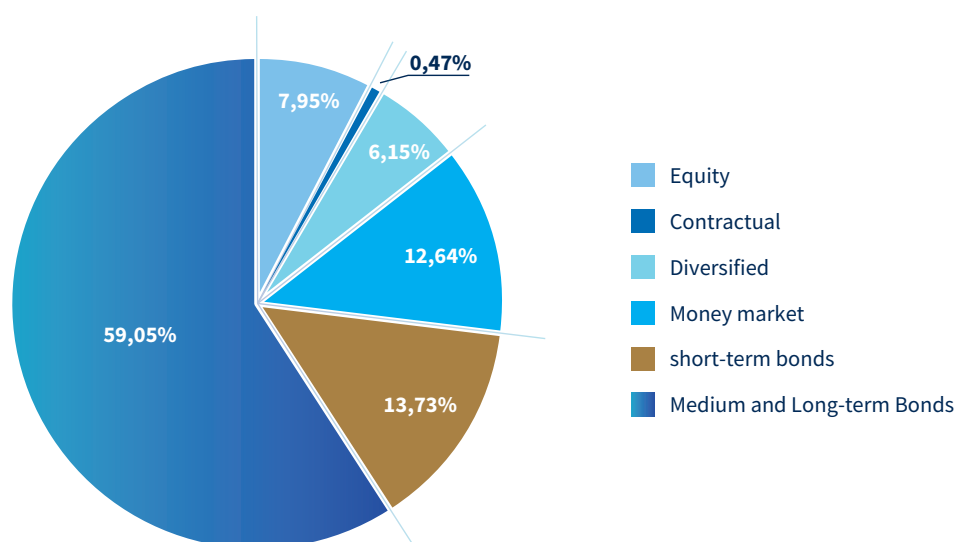
- **“MLTB” UCITS :**

At the end of 2019, the MLTB fund category had 161 funds, compared with 155 at the end of 2018. It recorded a net inflow of MAD 20.34 billion combined with a positive annual performance of 5.65%. These two factors drove up the overall outstanding assets of the category which reached MAD 277.87 billion, up 13.82% compared to 2018.

• “Contractual” UCITS:

Due to net outflows, the Contractual category witnessed a 19.35% decline in assets under management to MAD 2.23 billion, versus MAD 2.77 billion in 2018. Following the change of category made by three Contractual funds whose formula has reached maturity, the category included six UCITS at the end of 2019.

Graph 19. Structure of UCITS net assets by category at the end of 2019



Source: UCITS asset management companies

4.1.5 UCITS' annual performance

In 2019, the Equity UCITS category outperformed its benchmark index with an annual increase of 12.50%, versus 7.11% for the MASI.

In the bond UCITS category, the STB and MLTB funds posted a positive annual performance of 2.77% and 5.65% respectively, driven by the downward movement across all maturities in the 2019 yield curve.

Diversified UCITS posted a positive annual performance of 8.21%, benefiting from both equity market growth and the strong performance of the bond market, given the 6.13% annual return posted by the MBI (Moroccan Bond Index).

For the money market UCITS category, the performance posted at the end of 2019 was 2.21%, in line with the annual average overnight repo rate of 2.20%.

As for Contractual UCITS, depending on their investment strategy and specific contractual commitments, they recorded positive annual performances ranging from 0.25% to 18.75%.

4.1.6 Composition of the UCITS portfolio

In 2019, the structure of assets under management by investment type did not change significantly compared to 2018. Unlisted securities continue to dominate the UCITS portfolios, accounting for 78.30% at the end of the year.

Table 12. Breakdown of total UCITS assets by investment category

	End-2018	End-2019
Investment category	Structure	
Listed securities (LS)	7.51%	8.90%
LS - Equities	7.39%	8.67%
LS – Private bonds	0.12%	0.23%
LS - Bonds issued or guaranteed by the state	0.001%	0.0003%
Unlisted securities (US)	79.20%	78.30%
US - Bonds issued or guaranteed by the state	49.41%	46.57%
US – Negotiable debt securities	11.75%	12.96%
US - Private bonds	13.75%	14.62%
US - UCITS securities	4.19%	4.07%
US - Other	0.10%	0.09%
Other assets	13.29%	12.80%
Total assets	100%	100%

Source: UCITS asset management companies

• Unlisted securities:

Accounting for 78.30% of their total assets, more than half of the unlisted securities are bonds issued or guaranteed by the State. The remainder is mainly made up of private bonds, (14,62% of total assets), and negotiable debt securities (FCB, CDs and T-Bills), which accounted for 12.96%.

• Listed securities :

The proportion of listed securities held by UCITS rose from 7.51% at end-2018 to 8.90% at end-2019, an increase of 1.39%. Listed equities increased by MAD 8.92 billion to MAD 43.22 billion at the end of 2019, representing 8.67% of total assets.

• Other assets :

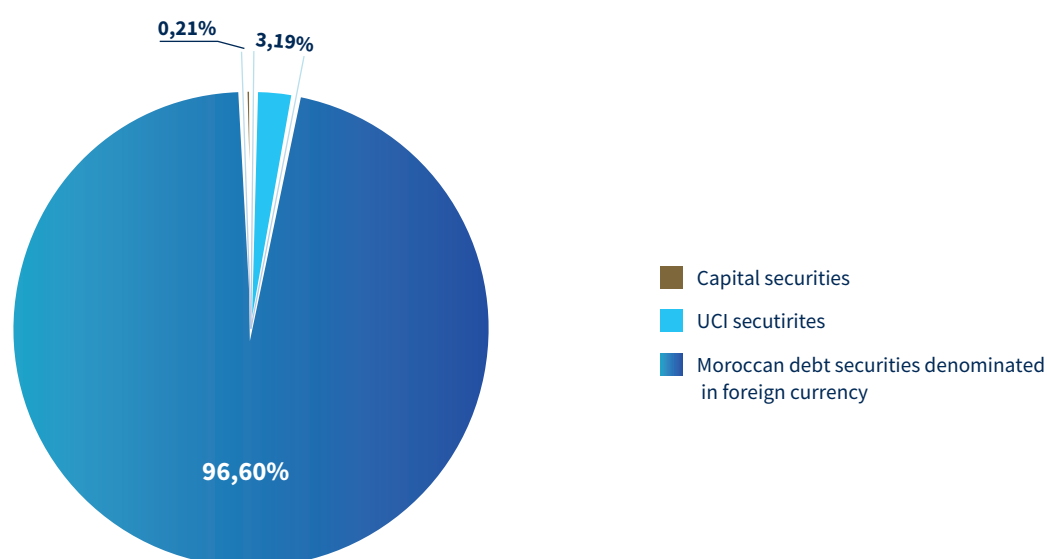
The share of other assets in total UCITS assets fell from 13.29% at end-2018 to 12.80% at end-2019. This segment is composed mainly of money market investments.

4.1.7 UCITS investments abroad

At the end of 2019, UCITS invested nearly 0.97% of their total net assets in foreign currencies, compared to 1.14% in 2018, i.e. the equivalent of MAD 4.56 billion. Of these investments, 96.60% consisted of debt securities denominated in foreign currencies, issued by the state or Moroccan public institutions.

The remainder of foreign investments is made up of UCI securities of various categories (UCITS, private equity funds, real estate investment funds and ETFs) and listed equities for 3.19% and 0.21% of total net assets respectively.

Graph 20. Structure of foreign currency investments made by UCITS at the end of 2019



Source : UCITS asset management companies

4.1.8 Investors in UCITS

At the end of 2019, the number of investors in UCITS units or shares stood at 19,972, i.e. 1,023 more investors than in 2018.

Table 13. Breakdown of net assets by investor type at the end of 2019 (in MAD millions)

	Equity & diversified UCITS	Bond UCITS	Money Market UCITS	Contractual UCITS	TOTAL UCITS	Share (in %)
Financial companies including:	52 292.56	274 483.95	22 980.08	316.42	350 073.01	74.39%
Insurance companies and pension funds and provident institutions	35 438.13	170 893.90	12 956.03	-	219 288.07	46.60%
Banks	6 437.03	69 665.59	2 418.30	218.4	78 739.32	16.73%
UCITS	3 298.61	15 527.81	2 957.98	3.27	21 787.67	4.63%
Caisse de dépôt et de gestion (CDG)	6 145.49	6 507.59	394.26	83.58	13 130.92	2.79%
Other financial institutions	467.36	5 575.86	2 571.21	2.66	8 617.08	1.83%
Finance companies	118.65	4 779.42	440.99	-	5 339.06	1.13%
Other holding companies	336.81	976.42	419.54	8.52	1 741.29	0.37%
Brokerage firms	50.48	557.35	821.77	-	1 429.61	0.30%
Non-financial enterprises	2 741.59	51 880.92	28 691.49	1 730.91	85 044.90	18.07%
Resident natural persons	11 032.67	15 248.73	6 380.65	118.04	85 044.90	6.97%
Non-resident natural and legal persons	311.65	872.01	1 420.54	66.08	2 670.29	0.57%
Total	66 378.47	342 485.61	59 472.76	2 231.45	470 568.29	100.00%

Source : UCITS custodians

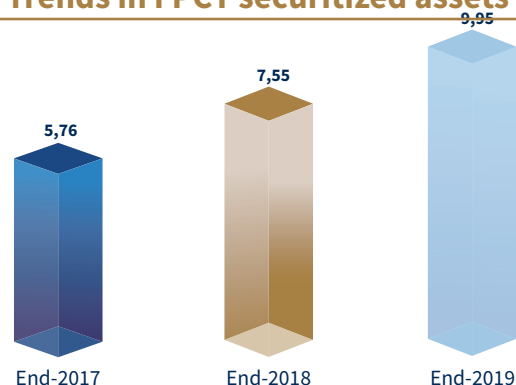
In line with previous years, financial companies were, at the end of 2019, the leading investors in UCITS, mainly in bond funds. This category of investors holds 74.39% of total net assets under management. Within this category, insurance companies and provident and pension funds accounted for nearly half of total assets, or 46.60%. They were followed by banks, which held 16.73%.

The other categories of investors held 25.61% of net assets under management, divided between non-financial companies (18.08%), resident natural persons (6.97%) and foreign investors (0.57%).

4.2 SECURITIZATION VEHICLES (FPCT)

In 2019, following the approval of three securitization transactions, the number of active FPCTs at the end of 2019 was 12 funds and 22 compartments. Securitized assets thus amounted to MAD 9.50 billion, up 25.80% compared to 2018.

Graph 21:. Trends in FPCT securitized assets (in MAD billions)



Source : Asset management companies

Securitization funds under management at the end of 2019 corresponded to securitization transactions of different asset classes, especially :

- Mortgage-backed securities;
- Receivables arising from consumer loan contracts;
- Trade receivables;
- Real estate assets;
- Usufruct rights on real estate assets.

The three new securitization transactions carried out in 2019 resulted in the issuance of MAD 3.25 billion of bonds for the acquisition of bank and trade receivables.

The table below shows the main characteristics of FPCTs under management at the end of 2019 :

Table 14.Main characteristics of FPCTs under management at the end of 2019

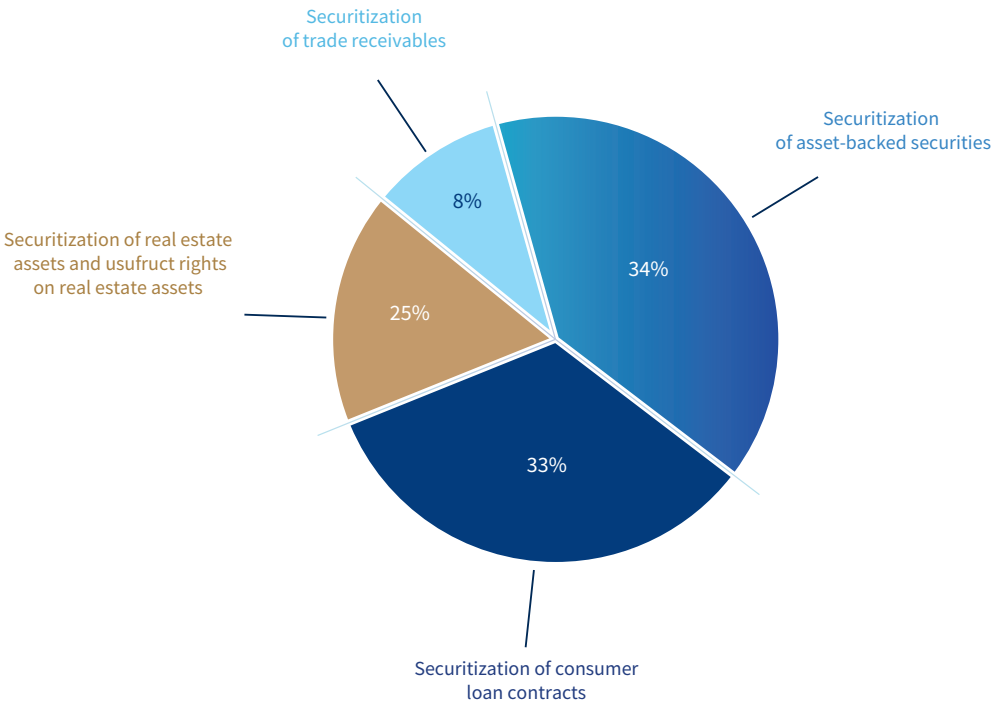
Name of fund/ compartment	Originator	Securitized asset class	Assets 31/12/2019 (MAD M)	Date of authorization/ notification	Value of issue (MAD M)	Maturity year of securities issued	Method of issue
Attijari Titrisation							
FT CREDIPER	ATTIJARIWAFABANK	Receivables from consumer loan contracts	1 773.81	24/12/2018	1 874.54	2025	Private placement
FT MIFTAH - Compartment « MIFTAH Fonction- naires »	ATTIJARIWAFABANK	Mortgage- backed securities	832.19	25/10/2017	1 000.10	2035	Public offering
FT MIFTAH COMPARTMENT « MIFTAH FONCTION- NAIRES II »	ATTIJARIWAFABANK	Mortgage- backed securities	996.06	26/11/2019	1 000.10	2035	Public offering
FT SALAF INVEST - Compartment « INVEST AL MOUADDAF »	WAFASALAF	Receivables from consumer loan contracts	121.86	23/11/2018	250.10	2023	Public offering
Total			3 723.93				

Name of fund/ compartment	Originator	Securitized asset class	Assets 31/12/2019 (MAD M)	Date of authorization/ notification	Value of issue (MAD M)	Maturity year of securities issued	Method of issue
BMCE Capital Titrisation							
FT OLYMPE	Résidences Dar Saada S.A Résidences Dar Saada IV SARL Résidences Dar Saada V SARL	Real estate assets	600.00	10/10/2017	600	2 022	Public offering
FT DOMUS	Aghouatim Al Baraka S.A. Allixus 2 S.A. Société d'Aménagement de Lixus S.A Remal Morocco Hospitality S.A.S	Real estate assets	1120.88	07/03/2018	1 210.91	2 025	Public offering
Total			1 720.88				
Maghreb Titrisation							
FT CREDILOG III	CREDIT IMMOBILIER ET HOTELIER	Mortgage- backed securities	326.75	13/12/2008	1 500	2031	Public offering
FT CREDILOG IV	CREDIT IMMOBI- LIER ET HOTELIER	Mortgage- backed securities	196.37	25/04/2014	1 200.01	2022	Public offering
FT SAKANE	Banque Centrale Populaire & Banques Populaires Régio- nales	Mortgage- backed securities	346.68	23/01/2012	965	2028	Public offering
FT IMPERIUM SUKUK CI	L'Etat Marocain	Usufruct rights on real estate assets	810.36	28/09/2019	1 000	2023	Sovereign issue
FT CONSOVERT	CRÉDIT AGRICOLE DU MAROC	Receivables from consumer loan contracts	119.17	24/03/2017	584.60	2024	Private placement
FT CONSOPER	Banque Centrale Populaire & Banques Populaires Régio- nales	Receivables from consumer loan contracts	2.102.20	27/06/2019	2.102	2026	Private placement
FT NOVUS	Gharb Papier et Carton	Trade receivables	151.80	30/08/2019	146.99	2021	Private placement
Total			4 053.34				
Total global			9 498.15				

Source: Asset management companies (data in MAD millions)

In terms of the breakdown of securitized assets by transaction type, 34% of the assets outstanding at the end of 2019 corresponded to mortgage-backed securities (four funds, including one fund with two compartments). Receivables from consumer loan contracts were in the same range and accounted for 33% of outstanding securitized assets (four funds, one of which has a single compartment). The securitization of assets and real estate rights generated 25 % of the outstanding securitized assets, followed by the securitization of trade receivables, which accounted for 8 % of the outstanding assets (one fund).

Graph 22. Breakdown of FPCTs by transaction type at end-2019



Source: Asset management companies, AMMC calculations

4.3 Venture capital investment vehicles (OPCC)

In 2019, private equity highlights included the launch of two new funds, increasing the number of OPCCs from six to eight, and the liquidation of one OPCC. The OPCCs were launched by the Société de Placement Collectif en Capital (SPCC) "IMPETUS" managed by asset management company Upline Investments and the SPCC "AZUR Innovation Fund" managed by asset management company AZUR Innovation Management.

The 7 active OPCCs manage total net assets of MAD 928.16 million. They are involved in all phases of the life cycle of the companies they finance and implement general or specialized investment strategies in the following sectors :

- Energy;
- Green technology;
- Agribusiness;
- Infrastructure;
- Innovation;
- Aeronautics;
- Automotive manufacturing;
- Building materials.

4.4 Real estate investment schemes (OPCI)

During 2019, following the entry into force of Law No. 70-14 on Real Estate Collective Investment Schemes (OPCIs) and the approval by the AMMC of the first OPCI management companies, two OPCIs in the form of a Real Estate Investment Company with Light Operating Rules (SPI-RFA) were launched. They are managed by management company AJARINVEST:

- The purpose of the "CDG PREMIUM IMMO" OPCI is to be invested mainly in office real estate assets and secondarily in commercial real estate operated or used totally or in part, or intended to be used totally or in part, by the CDG Group;
- the "CIH PATRIMMO" OPCI mainly invests in real estate assets consisting of bank branches and office buildings operated or used totally or in part, or intended to be used totally or in part, by the CIH Group.

5. MARKET PARTICIPANTS

5.1 Brokerage firms

5.1.1 Legal and corporate aspects

At the end of 2019, the number of brokerage firms remained stable at 17 companies.

In 2019, brokerage firms underwent an evolution from a legal and corporate perspective, in terms of governance changes, staff turnover and a capital transaction.

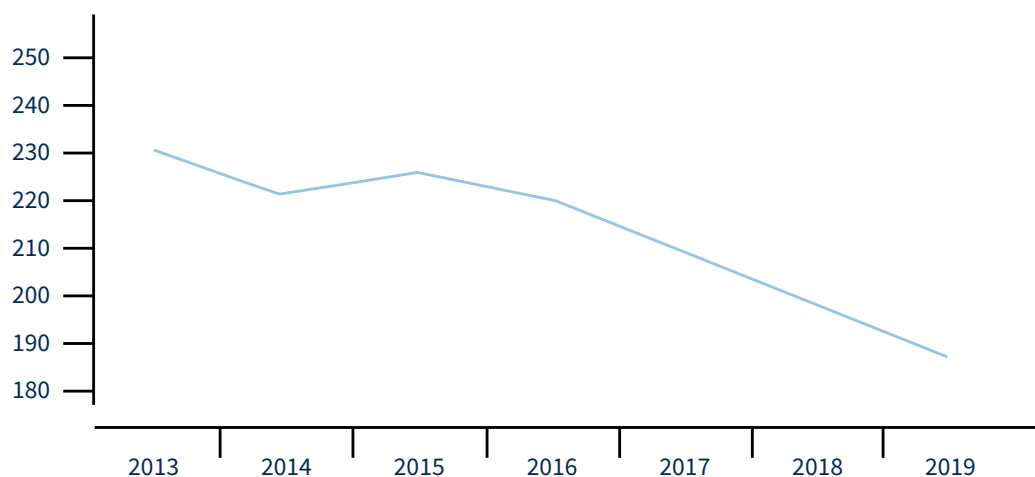
Table 15. Trends in the governance structures of brokerage firms

Nature of the change	Brokerage firms
Change of shareholding	Artbourse
	Capital Trust Securities
	BMCE Capital Bourse
Appointment of new officers	Capital Trust Securities
	Sogecapital Bourse
Appointment of new members to the Board of Directors / Supervisory Board	Artbourse
	BMCE Capital Bourse
	Capital Trust Securities
	ICF Al Wassit
	Upline Securities

Source: Brokerage firms

2019 witnessed a turnover of teams in the majority of brokerage firms (12). Seventeen new hires and nineteen departures were recorded, mainly in back and front office functions and in internal control. The total staff at the brokerage firms was 187, down 6% compared with 2018.

Graph 23. Trends in the total staff of brokerage firms



Source: Brokerage firms, AMMC calculations

With regard to capital transactions, 2019 recorded only one capital increase by a brokerage firm. This is MENA Capital Partners whose share capital increased from MAD 27 million to MAD 29.5 million, with no impact on the control of the company..

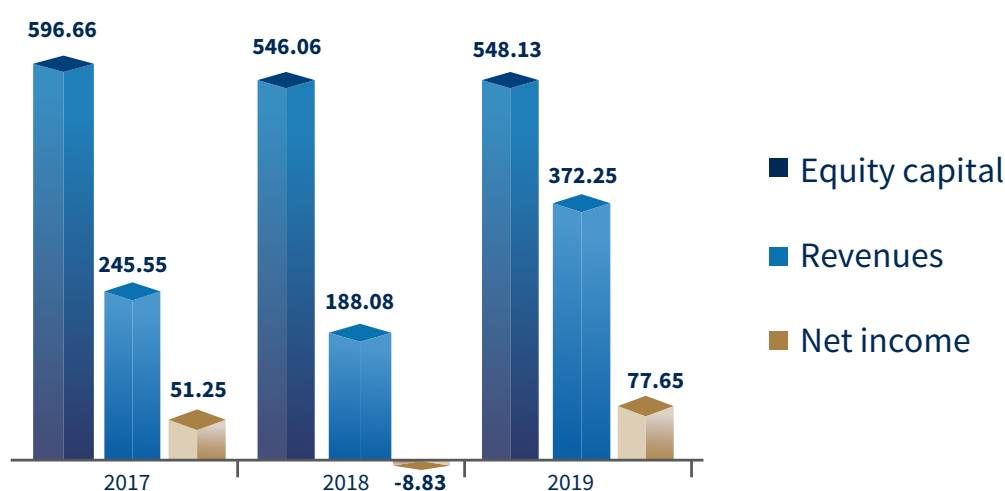
5.1.2 Business indicators

• Financial indicators

In 2019, brokerage firms generated total revenues of MAD 372.25 million, up 97.9% compared with 2018. This increase generated a positive operating income for twelve brokerage firms out of a total of seventeen.

Consequently, brokerage firms generated a positive aggregate net income of MAD 77.65 million versus a negative net income of MAD 8.83 million in 2018.

Graph 24. Changes in the financial indicators of brokerage firms



Source: Brokerage firms, AMMC Calculations

The revenue breakdown highlights the preponderance of the intermediation business. This business alone generated 76.5% of total revenues.

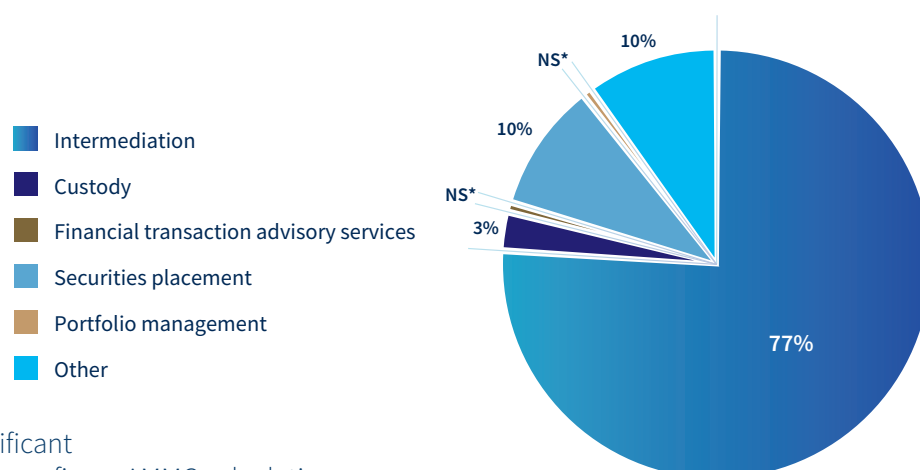
Table 16. Key figures of brokerage firms (in MAD millions)

	2017	2018	2019*
Aggregate revenues	245.55	188.08	372.25
Intermediation	207.25	143.92	284.61
Custody	15.96	9.53	13.18
Financial transaction advisory services	1.96	3.61	1.70
Securities Placement	2.97	13.43	35.71
Portfolio management	1.06	0.57	0.41
Other	16.35	17.02	36.63
Net comprehensive income	51.25	-8.83	77.65
Guarantee fund	44	47	49

* Provisional figures

Source: Brokerage firms, AMMC calculations.

Graph 25. Breakdown of brokerage firms' revenues by type of activity



* NS: Non Significant

Source : brokerage firms, AMMC calculations

In 2019, 11 brokerage firms, all bank subsidiaries, had a market share of 90.35%, of which 70.41% was held by four of them.

• The guarantee fund

The guarantee fund is designed to compensate the clients of brokerage firms that have been liquidated in the event that the liquidated firm has not complied with the rules of segregation between client assets and its proprietary assets. This fund is funded by a contribution, the amount of which is determined as a percentage of the volume of securities and cash held by each brokerage firm.

The guarantee fund reached an amount of MAD 49 million in 2019. The contributions paid decreased by 6% compared to 2018 due to the decrease in the value of assets held by brokerage firms, whose average amount is MAD 8 billion for 2019.

5.1.3 Client structure

The number of active brokerage clients increased by 13% compared to 2018. This was mainly due to the 33% increase in the number of clients in the UCITS category. In terms of structure, Moroccan natural persons account for 78% of all clients, followed by UCITS (12%), with the remainder divided among the other categories

Table 17. Client structure of brokerage firms

	MNP		UCITS		MLE		FLE		FNP		Total
	Number	%	Number	%	Number	%	Number	%	Number	%	
2016	5 856	79%	728	10%	540	7%	168	2%	115	2%	7 407
2017	5 958	80%	767	10%	483	6%	155	2%	118	2%	7 481
2018	5 838	79%	772	10%	510	7%	150	2%	110	2%	7 380
2019	6 512	78%	1027	12%	511	6%	174	2%	132	2%	8 356

Source: brokerage firms, AMMC calculations

5.2 Account keepers

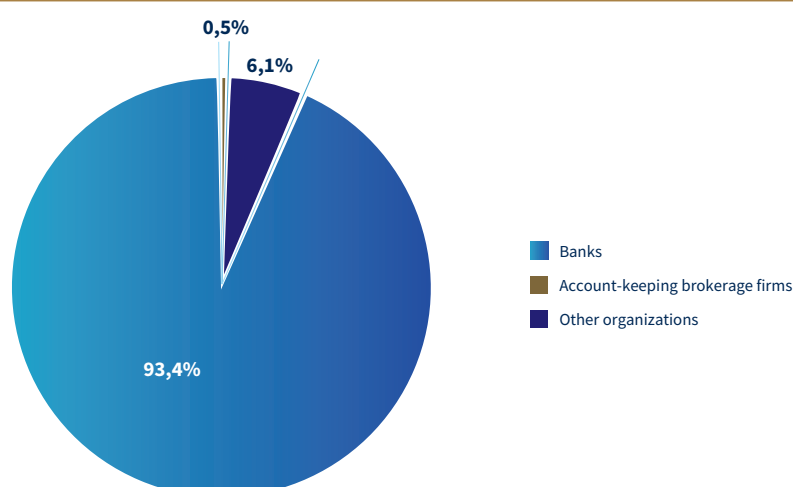
At the end of 2019, the overall stock of financial instruments in custody amounted to MAD1,881.6 billion, up 6.5% compared with 2018. The share of banks was still predominant, accounting for 93% of assets in custody. With a total of 160,549 accounts, the number of securities accounts increased by 10%. This trend is linked to the number of securities accounts held by the resident natural person category, which accounts for 86% of the total number of securities accounts.

Table 18. Key figures of account keepers

Number of securities account keepers	24	24
Number of securities accounts	146 482	160 549
Resident natural persons	124 552	137 453
Resident legal entities	8 141	8 879
Non-resident natural persons	13 242	13 686
Non-resident legal entities	547	531
Assets managed= (1)+(2)+(3)+(4) (in MAD millions)	1 765 615	1 881 671
by banks (1)	1 637 474	1 757 620
by the account-keeping brokerage firms (2)	7 860	8 524
by issuers (3)	658	420
by other organizations (4)	119 621	115 107
Assets under management in technical accounts (in MAD millions) (B)	985	-111
Total assets C=A+B	1 766 601	1 881 560

Source: Account keepers and Maroclear

Graph 26. Breakdown of assets in custody



Source : Maroclear

5.3 The central depository

The total assets held by Maroclear recorded a 6.5% increase from MAD 1,766.60 billion at the end of 2018 to MAD 1,881.56 billion at the end of 2019. This increase was mainly driven by the rise in equity, bonds and negotiable debt securities and UCITS assets, which grew by 7.28%, 14.58% and 6.98% respectively, compared to year-end 2018.

At the same time, the number of securities held by Maroclear increased by 7.56%, from 1,296 at year-end 2018 to 1,394 at year-end 2019. This change is mainly due to the increase in the number of bonds, negotiable debt securities and UCITS.

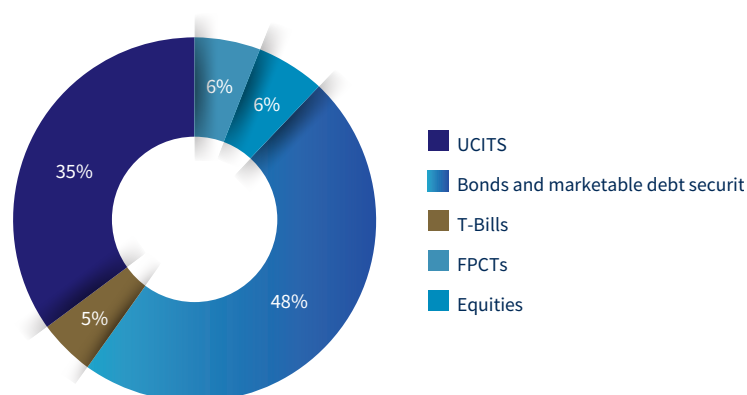
The same trend was observed in the average of settled transactions, which posted a positive change of 6.70% between 2018 and 2019, due to the 6.39% increase in the OTC segment.

Table 19. Key figures of the Central Depository's activity

	2018	2019
Number of securities in custody	1 296	1 394
Equity	93	90
Bonds and negotiable debt securities	617	666
Treasury Bills	69	70
UCITS	445	489
FPCTs	72	79
Total assets (in MAD billions)	1 767	1 876
Equity	595	632
Bonds and negotiable debt securities	201	230
Treasury Bills	540	557
UCITS	417	446
FPCTs	8	11
Daily average of settled transactions (in MAD millions)	65 977	70 401
OTC	65 438	69 622
Stock exchange	539	779
Free of payment	-	-
Number of securities administration transactions	826	895
Number of dividend distribution transactions managed	83	81
Number of securities transactions managed	743	814

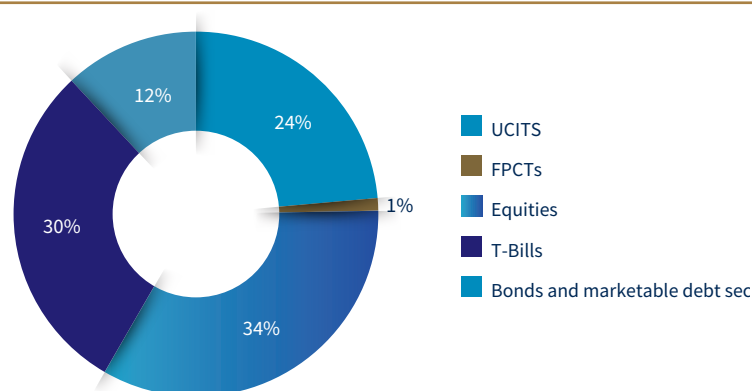
Source : Maroclear

Graph 27. Breakdown of the number of securities admitted by category at the end of 2019



Source : Maroclear

Graph 28. Breakdown of total assets of admitted securities by category at the end of 2019



Source : Maroclear

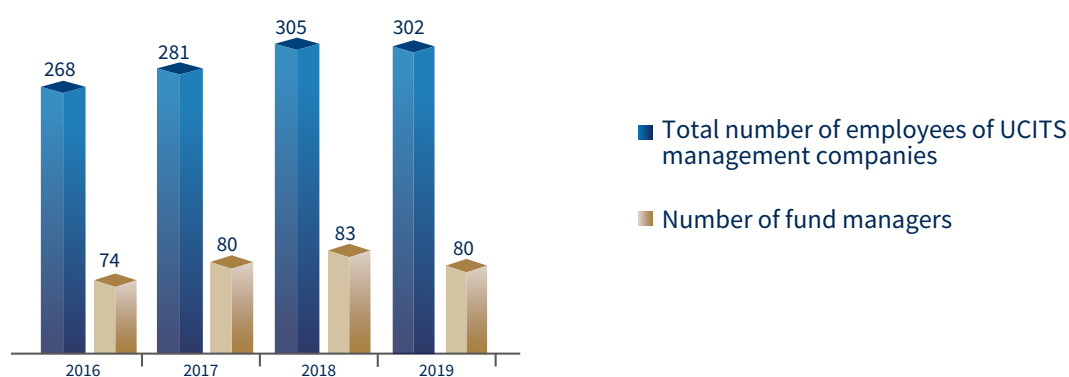
5.4 Asset management companies

5.4.1 UCITS management companies

At the end of 2019, the number of UCITS management companies remained stable at 17.

In terms of human resources, UCITS management companies had a total of 302 employees at the end of 2019, including 80 fund managers, compared with 305 and 83 respectively in 2018.

Graph 29. Trends in the number of employees of UCITS management companies



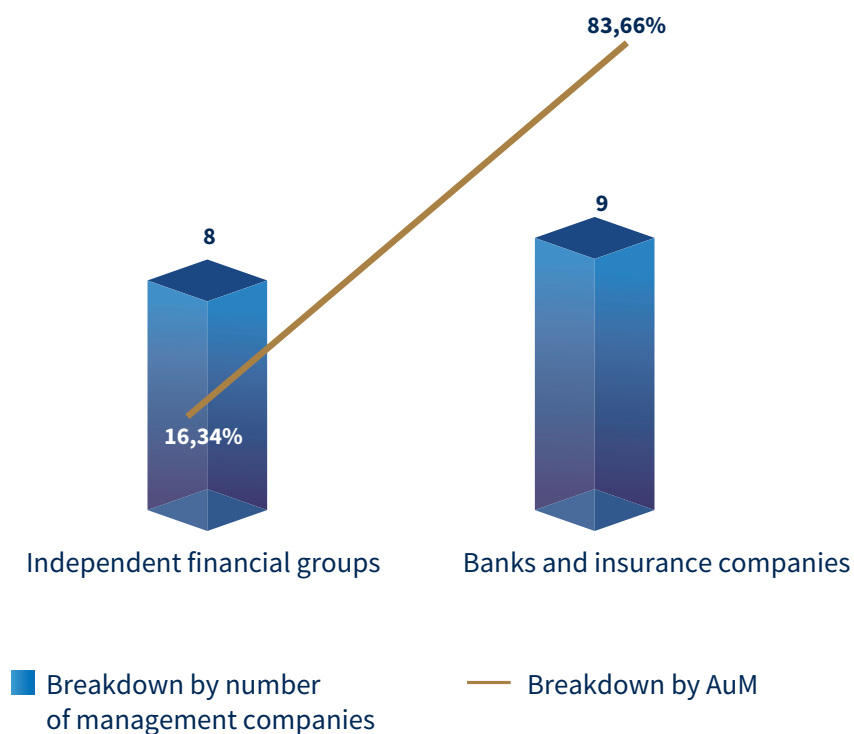
Source: UCITS management companies

• Business indicators

In 2019, the average net assets of UCITS stood at MAD 454.70 billion, versus MAD 431.33 billion in 2018, recording a 4.70% increase.

Concerning the breakdown of market shares of UCITS management companies, there was still a preponderance of banking group or insurance company subsidiaries. At the end of 2019, their net assets under management accounted for 83.66% of total net assets, i.e. MAD 393.68 billion. Management companies not belonging to any banking group or insurance company managed MAD 76.88 billion at that date, representing a market share of 16.34%.

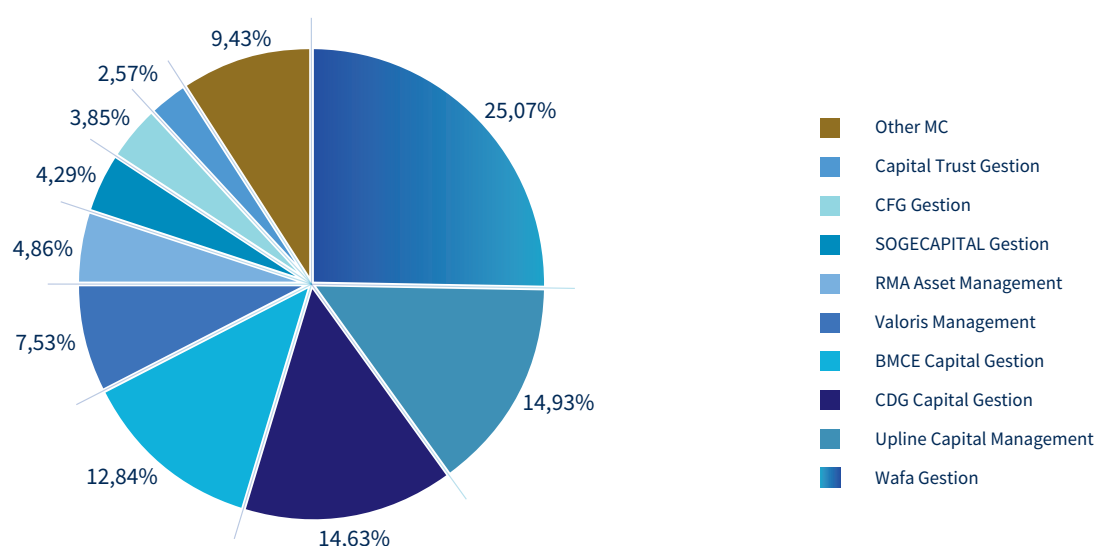
Graph 30. Breakdown of market shares of UCITS management companies by type of shareholding



Source: UCITS management companies

This trend is confirmed each year by the very high level of industry concentration. Two-thirds of total assets at the end of 2019 were managed by the four leading asset management companies of the market, with assets under management of MAD 317.52 billion, i.e. 67.48% of total net assets.

Graph 31. Breakdown of net assets by UCITS management company at year-end 2019



Source: UCITS management companies

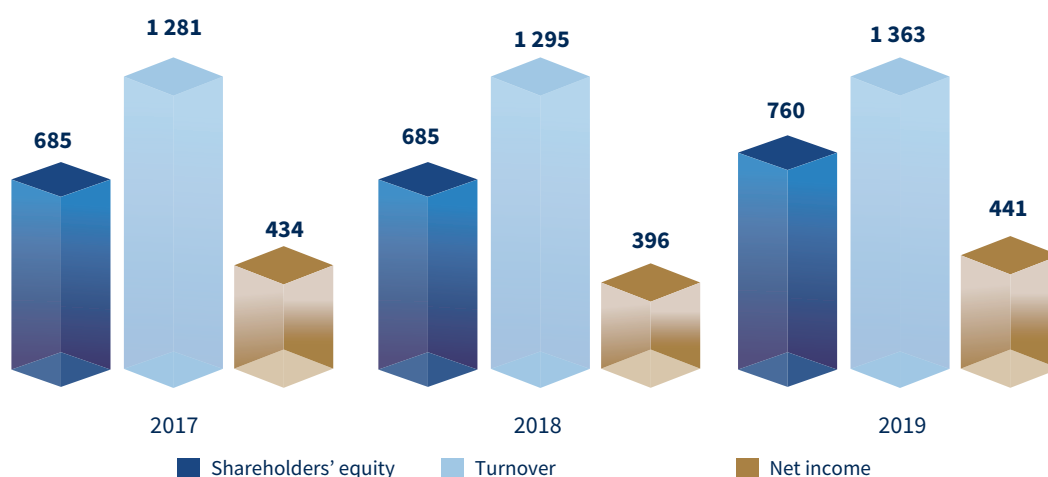
• Business indicators

The consolidated revenues of UCITS management companies for the 2019 financial year amounted to MAD 1,363 million versus MAD 1,295 million a year earlier, representing a 5.2% increase.

The consolidated net income of UCITS management companies increased by 11.28% in 2019. It thus rose from MAD 396 million in 2018 to MAD 441 million in 2019.

Equity capital raised by all UCITS management companies increased by 10.87% in 2019 to MAD 760 million, compared with MAD 685 million at year-end 2018.

Graph 32. Changes in financial indicators for UCITS management companies (in MAD millions)



Source : AMMC

5.4.2 FPCT management companies

2019 was marked by the establishment of a new FPCT management institution. Following the AMMC's opinion, Sofac Structured Finance obtained the approval of the Minister of Economy and Finance with the publication of the approval decision in the Official Gazette of 1 August 2019.

At the end of 2019, there were four FPCT management companies:

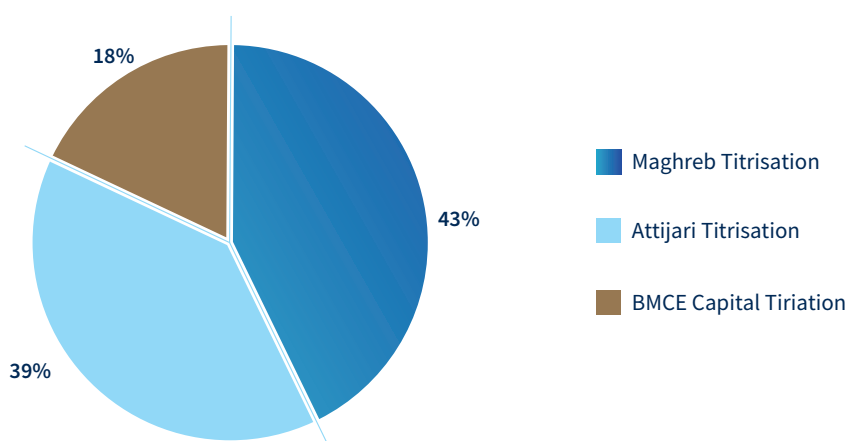
- Maghreb Titrisation, approved in February 2002;
- Attijari Titrisation, approved in November 2014;
- BMCE Capital Titrisation, approved in December 2015;
- Sofac Structured Finance, approved in August 2019.

In terms of staff, the four FPCT management companies had a total of 24 employees at year-end 2019, compared with 18 in 2018. Eleven employees are in charge of managing and structuring securitization funds.

At the end of 2019, FPCT management companies had total assets under management of MAD 9.5 billion spread across twelve vehicles (excluding compartments) :

- **Maghreb Titrisation** with 7 funds (including FT IMPERIUM SUKUK consisting of one FT IMPERIUM SUKUK CI compartment) representing assets under management of MAD 4.06 billion, i.e. a market share of 42.68%.
- **Attijari Titrisation** with 3 funds (including FT SALAF INVEST which has an INVEST AL MOUADDAF compartment and the FT MIFTAH fund which has two compartments, MIFTAH FONCTIONNAIRES and MIFTAH FONCTIONNAIRES II). Securitized assets under management amounted to MAD 3.72 billion, representing a market share of 39.20%.
- **BMCE Capital Titrisation** with 2 funds (including FT DOMUS which has eighteen compartments) representing MAD 1.72 billion of securitized assets under management, i.e. an 18.12% market share.

Graph 33. Breakdown of net assets by FPCT management company in 2019



Source : Asset management companies, AMMC calculations

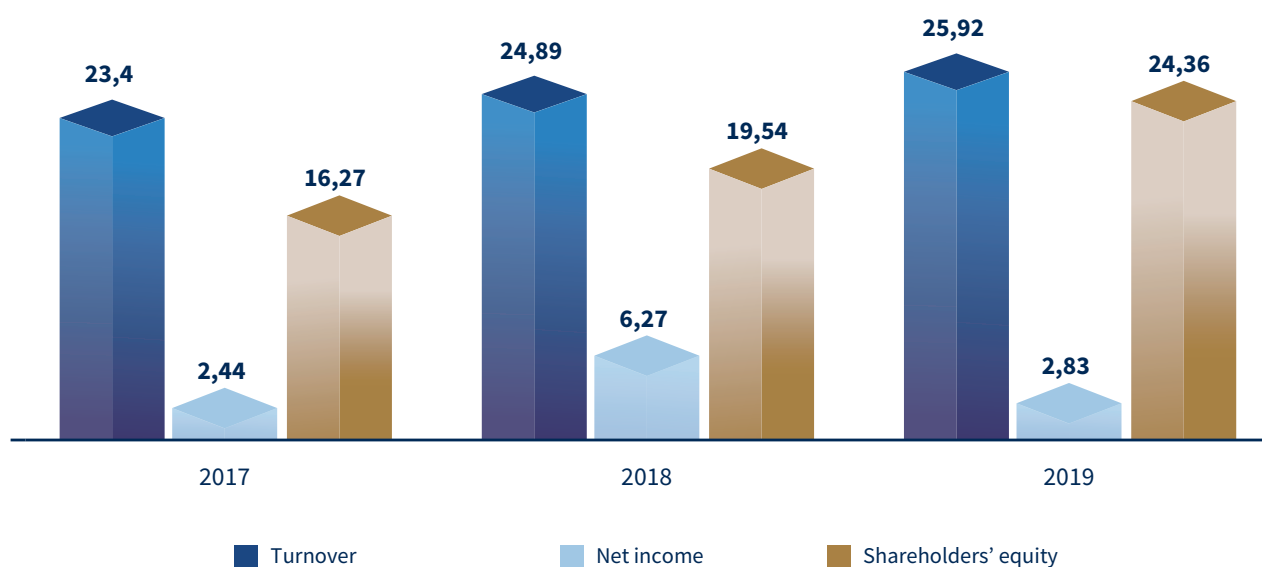
• Financial indicators based on the financial position as at 31 December 2019

Consolidated revenues of the four FPCT management companies amounted to MAD 25.42 million in 2019, versus MAD 24.89 million in 2018, up 2.13%.

The consolidated net income of the four companies stood at MAD 2.83 million in 2019, compared with MAD 6.27 million in 2018.

The shareholders' equity of all FPCT management companies increased from MAD 19.54 million in 2018 to MAD 24.36 million in 2019, representing an increase of 24.67%.

**Graph 34 : Changes in financial indicators of FPCT management companies
(in MAD millions)**



Source: Asset management companies, AMMC calculations

5.4.3 OPCC management companies

In 2019, the number of OPCC management companies increased from 9 to 11, including 6 active management companies managing 6 OPCCs. These are CDG Capital Infrastructures, CDG Capital Private Equity, Private Equity Initiatives, SEAF Morocco Capital Partners, Upline Investments and AZUR Innovation Management.

In terms of staff, the OPCC management companies had, at the end of 2019, a total of 46 employees, including 15 directors and investment officers.

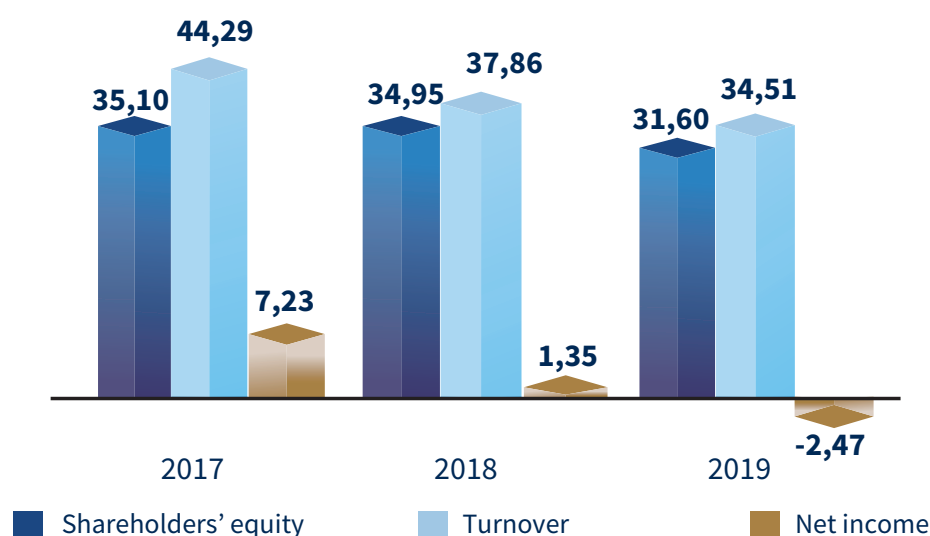
• Business indicators

At the end of 2019, the total net assets under management by OPCC management companies reached MAD 928.16 million, compared to MAD 708.31 million in 2018, thus posting a rise of more than 31%.

• Financial indicators

The consolidated revenues of OPCC management companies recorded a 9.59% decline in 2019 to MAD 34.51 million versus MAD 37.86 million in 2018. The consolidated net income of OPCC management companies dropped sharply in 2019 from a profit of MAD 1.35 million in 2018 to a loss of MAD 2.47 million in 2019. The shareholders' equity of OPCC management companies recorded a decline of 8.85% in 2019 to MAD 31.6 million compared to MAD 34.95 million a year earlier.

Graph 35. Changes in the financial indicators of OPCC management companies (in MAD millions)



*Provisional figures

Source: Sociétés de gestion, calculs AMMC

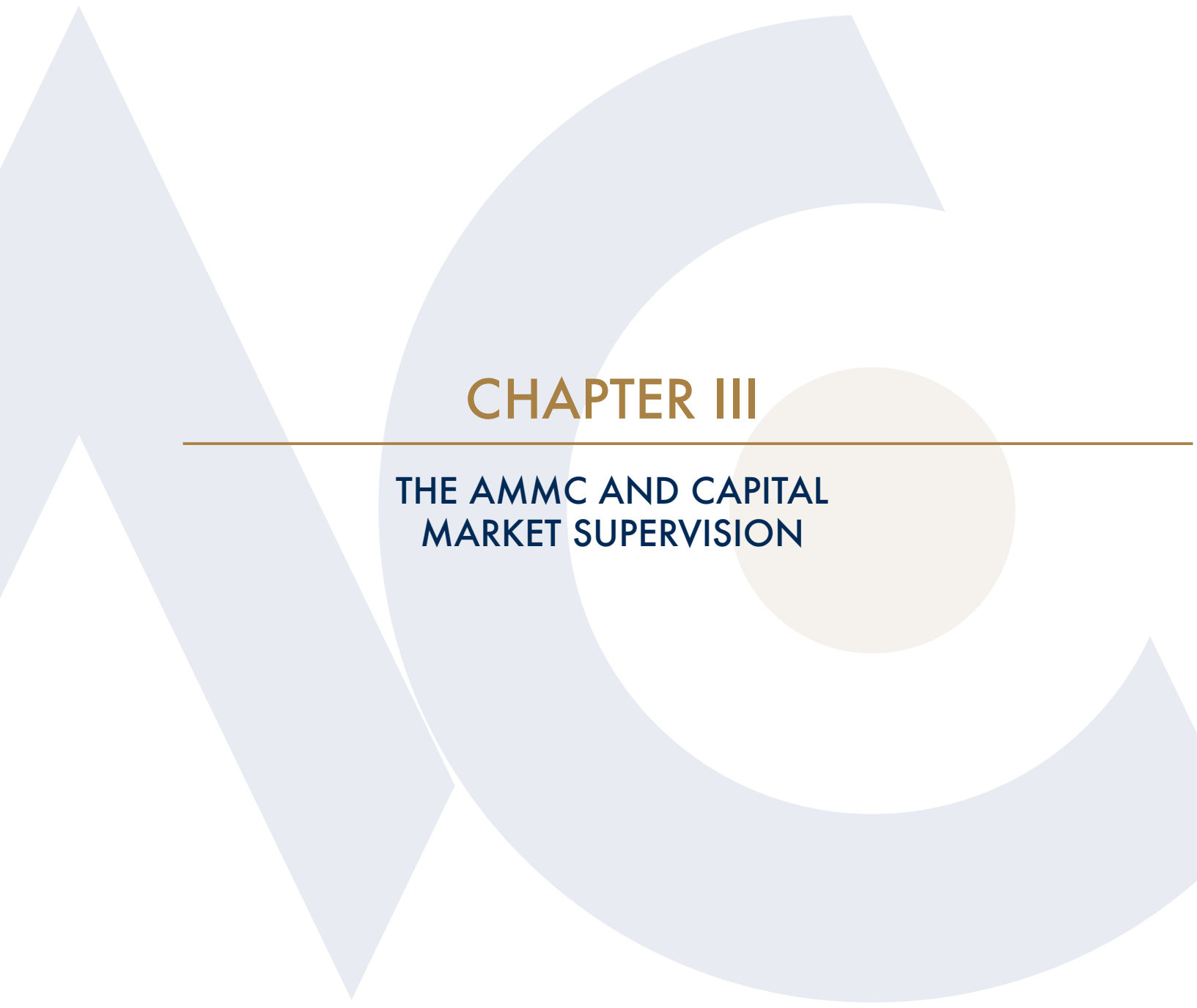
5.4.4 OPCl management companies

At the end of 2019, and following the publication of AMMC circulars on OPCIs and their management companies, there were four companies that had obtained approval to manage OPCIs. These are AJAR INVEST (subsidiary of CDG and CIH), BMCE Capital Real Estate (subsidiary of BMCE Bank and BMCE Capital), NEMA Capital (owned equally by Société Générale Maroc and Yamed Capital) and Africa Stone Management (owned by Banque Centrale Populaire and BP Patrimoine).

• Business indicators

Following the approval of the first management companies, two OPCIs were launched in the last month of the year with an initial capital of MAD 1,239.76 million.





CHAPTER III

THE AMMC AND CAPITAL MARKET SUPERVISION

1. AUTHORIZATIONS AND APPROVALS

1.1 Approval of market participants

The year 2019 was marked by the interest expressed by capital market players and real estate professionals in obtaining the authorization to manage OPCCs and OPCIs. Several working meetings were held to explain the regulations governing these activities and to answer questions from stakeholders interested in the management company status.

In 2019, four OPCI applications, two OPCC applications, one brokerage firm application and one account keeper application were submitted for approval.

Table 20. List of applications processed by the AMMC in 2019

Entity	Action taken
AJAR INVEST –OPCI management company	The four companies have been granted approval by the AMMC as OPCI management companies.
BMCE Capital Real Estate - OPCI management company	
Nema Capital - OPCI management company	
Africa Stone Management - OPCI management company	
AZUR Innovation Management - OPCC management company	Following the processing of the application by the Authority, the company was granted approval by the Minister of Economy and Finance to act as an OPCC management company - February 2019
SOGECAPITAL Investissement - OPCC management company	Following the processing of the application by the Authority, the company was granted approval by the Minister of Economy and Finance to act as an OPCC management company -April 2019
Artbourse – Brokerage firm	Authorization for the transfer of the head office
Citibank Maghreb SA – Account keeper	Authorization for outsourcing a function

Source: AMMC

1.2 Authorization of financial transactions

1.2.1 Equity securities transactions

During the 2019 financial year, the AMMC authorized 7 equity securities transactions. The transactions processed are set out in the following table :

Table 21. Equity securities transactions granted an authorization (visa) in 2019

Transaction Type	Issuer	Authorization date	Transaction Description	Value (in MAD)
Capital increase	Banque Centrale Populaire (BCP)	27/05/2019	Capital increase by cash contribution reserved for the Banques Populaires Régionales (BPR)	2 760 000 000
	Banque Centrale Populaire (BCP)	27/05/2019	Capital increase by cash contribution reserved for staff members of Crédit Populaire du Maroc (CPM) and other group entities	2 210 000 000
	BMCE Bank Of Africa	25/06/2019	Capital increase divided into two tranches: - Tranche 1: MAD 897 million, to be paid up by optional conversion of 2018 dividends - Tranche 2: MAD 999 million, to be paid in cash	1 896 391 440
		14/10/2019	Capital increase in cash reserved for CDC Group	1 930 239 900
	CIH Bank	29/07/2019	Capital increase by cash contribution reserved for shareholders and holders of preferential subscription rights	497 828 500
	Douja Promotion Groupe Addoha	05/12/2019	Capital increase by contribution in cash and/or by offsetting against definite, liquid and due receivables	799 941 360
Public offering	Itissalat Al Maghrib	14/06/2019	Public offering of a 2% stake in the capital of Itissalat Al Maghrib held by the Kingdom of Morocco	2 180 744 830

Source : AMMC

Six authorizations (visas) were granted for capital increases for a total amount of MAD 10 billion, of which the banking sector accounted for MAD 9.3 billion.

The Banque Centrale Populaire initiated two capital increases in cash for a total amount of nearly MAD 5 billion. These transactions were respectively reserved for the Banques Populaires Régionales (MAD 2.7 billion) and for the staff of Crédit Populaire du Maroc and other concerned entities (MAD 2.2 billion).

BMCE Bank of Africa was granted two authorizations (visas) for capital increases. These transactions involved cash contributions with maintenance of preferential subscription rights, contributions through optional conversion of 2018 dividends, as well as a cash contribution by CDC Group as part of a reserved capital increase. Through these transactions, BMCE Bank of Africa raised MAD 2.9 billion in cash and MAD 735 million by conversion of dividends.

CIH Bank, for its part, carried out a capital increase in cash, with maintenance of the preferential subscription right, for an amount of nearly MAD 498 million, while Douja Promotion Groupe Addoha offered its shareholders and holders of preferential subscription rights (DPS) a capital increase of MAD 800 million to be paid up in cash and/or by offsetting receivables.

In addition, a public offering was made in 2019. It concerned the sale by the Kingdom of Morocco of a 2% stake in the capital and voting rights of Itissalat Al-Maghrib to the public. The transaction amounted to nearly MAD 2.2 billion. It was in addition to a simultaneous sale of 6% of the operator's capital on the block market to certain qualified investors under Moroccan law.

1.2.2 Bond Issues

During the 2019 financial year, the AMMC authorized 12 bond issues by public offering, as shown in the following table:

Table 22. Bond issues by public offerings granted an approval (visa)

Issuer	Authorization Date	Description	Value (in MAD)
Agence Nationale des Ports (ANP)	22/05/2019	Ordinary bond issue, structured into two tranches at revisable and fixed rates, with maturities of 10 and 15 years, amortized on a straight-line basis.	1 000
Wafasalaf	12/06/2019	Subordinated bond issue with a 7-year maturity, structured into two fixed-rate and revisable tranches.	250
Attijariwafa Bank	14/06/2019	Perpetual subordinated bond issue with loss-absorption and coupon cancellation mechanisms, structured into two tranches with rates revisable annually and every 10 years.	1 000
Fond d'Équipement Communal (FEC)	28/06/2019	Issuance of an ordinary bond issue with a maturity of 15 years, structured into 3 tranches at a fixed and revisable rate.	2 000
Crédit Agricole du Maroc	15/10/2019	Perpetual subordinated bond issue with loss-absorption and coupon cancellation mechanisms, structured into two tranches with rates revisable annually and every 10 years.	850
BNCI	28/10/2019	Subordinated bond issue with a 10-year maturity, structured into two tranches at a fixed and revisable interest rate	500
Label'Vie	08/11/2019	Ordinary bond issue structured into 4 tranches with 5 and 7-year maturities, with bullet and straight-line redemption and fixed and revisable interest rates.	750
Eqdom	14/11/2019	Ordinary bond issue with a 4-year fixed rate maturity	1 500
Crédit Agricole du Maroc	27/11/2019	10-year subordinated bond issue, structured into two fixed and revisable-rate tranches.	450

Source: AMMC

Issuer	Authorization Date	Description	Value (in MAD)
Attijariwafa Bank	12/12/2019	Perpetual subordinated bond issue with loss absorption and coupon cancellation mechanisms, structured into two tranches with annual and 10-year rolling interest rates.	1 000
Attijariwafa Bank	12/12/2019	Subordinated bond issue with a 7-year maturity, structured into 6 fixed and revisable-rate tranches, of which 4 with bullet repayment and 2 with straight-line amortization with a 2-year grace period.	1 000
Banque Centrale Populaire	13/12/2019	Subordinated bond issue, structured into 4 tranches, with 7- and 10-year maturities at fixed and revisable rates.	2 000
Alliances Développement Immobilier	25/12/2019	Ordinary bonds issue with a partial mortgage guarantee as part of the Group's financial restructuring plan. The issue was reserved for private debt holders who had signed a memorandum of understanding with the company for the rescheduling of their debts.	1 093,13
Alliances Darna	25/12/2019	Ordinary bonds issue with a partial mortgage guarantee as part of the group's financial restructuring plan. The issue was reserved for private debt holders who had signed a memorandum of understanding with the company for the rescheduling of their receivables.	534,54

Furthermore, nine bond issues by private placement were approved by the AMMC, for a total value of MAD 7 billion.

1.2.3 Other granted visas

• Programs for the issuance of negotiable debt securities

During the 2019 financial year, the AMMC granted 6 approvals (visas) relating to commercial paper issuance programs and reviewed 13 prospectuses relating to issuance programs for certificates of deposit and finance company bills. The negotiable debt security programs processed in 2019 are presented in the following table:

Table 23. Negotiable debt securities issuance programs in 2019 (in MAD millions)

Instrument Type	Issuer	Program ceiling
Commercial paper	Managem	1 000
	Jet Contractors	200
	Label'Vie SA	800
	Résidences Dar Saada	500
	Douja Promotion Groupe Addoha *	1 000
Certificates of deposit	BCP	12 000
	CFG Bank	5 000
	FEC	7 000
	BMCi	12 000
	AttijariWafa Bank	20 000
	Crédit du Maroc	9 000
	Crédit Agricole du Maroc	10 000
	CDG Capital	2 500
Finance company bills	Sogelease	3 000
	WAFASALAF	5 500
	RCI Finance Maroc	2 000
	EQDOM	7 000
	SOFAC	3 000

(*): Prospectuses updated twice in 2019

Source: AMMC

• Share repurchase programs

In 2019, the AMMC approved two share repurchase programs

Table 24. Share repurchase programs approved in 2019

Issuer	Authorization (visa) date	Description	Maximum amount to be committed (in MAD)
Itissalat Al-Maghrib	05/04/2018	Program covering 0.17% of the capital, with an intervention range of MAD 98-189, and including a liquidity contract covering 20% of the program. The -program runs from 8 May 2019 to 6 November 2020.	283 500 000
Banque Centrale Populaire	03/05/2019	Program covering 5% of the capital, with a range of MAD 189-351, and including a liquidity contract covering 20% of the program. The program runs from 8 July 2019 to 7 January 2021.	3 198 569 283

Source : AMMC

• Public offerings carried out indirectly in Morocco

During the 2019 financial year, the AMMC authorized 11 public offerings carried out indirectly in Morocco. These are exclusively offerings made by foreign groups for their employees worldwide, including those of their Moroccan subsidiaries.

Table 25. Public offerings carried out indirectly in Morocco in 2019

Issuer	Authorization (visa) Date	Security type	Subsidiaries benefiting from the transaction in Morocco	Total value of the offering in Morocco (in MAD)
Airbus SE	19/02/2019	Equity security	TOTAL MAROC, OUARGAZ and GAZBER	7 832 806
TOTAL	04/04/2019 30/04/2019	Shares of FCPE	TOTAL MAROC, OUARGAZ et GAZBER	11 314 901
Vinci	23/05/2019	Shares of FCPE	Freyssima Maroc, Cegelec SA Maroc, Dumez Maroc, Sogea Maroc, SOLSIF Maroc SA, EXPROM Facilities, VIGIPROM SARL	23 572 557
TUI	03/06/2019	TEquity security	Société d'Investissement Aérien, Holidays Services, Société Marocaine de Développement de Transports Touristiques, Destination Services Morocco, RCHM	3 818 004
Société Générale France	10/06/2019	Equity security	Athena Courtage, Eqdom, La Marocaine Vie, Société Générale Marocaine de Banques, Sogelease Maroc, SG ATS and SG ABS	63 874 557
Crédit Agricole (France)	24/06/2019	Equity security	Crédit du Maroc, Crédit du Maroc Capital, Crédit du Maroc Leasing & Factoring et Crédit du Maroc Assurances	67 414 228
VEOLIA ENVIRONNEMENT	24/06/2019 24/09/2019	Shares of FCPE	Veolia Service À L'environnement Maroc, Veolia Environnement Industrie Maroc, Compagnie De Travaux Hydrauliques Du Maghreb, Redal Et Amendis	61 439 795
Decathlon International Shareholding Plan	28/08/2019	Equity security	DECAPRO MAROC, DECATHLON MAROC, PROXYLINE, DECATHLON REGIONAL SUPPORT	7 106 075
Axa	05/09/2019 17/10/2019	Shares of FCPE	Axa Assurance Maroc, Axa Assistance Maroc, Axa Assistance Maroc Services, Institut de formation et de développement professionnel AXA, Axa Crédit, Carré Assurance Maroc and Société de Gestion et de Surveillance (SGS), Branches: Axa Global Services Morocco Branch, Axa France IARD, Axa France Vie and Avanssur	41 619 427
CAPGEMINI	19/09/2019 08/11/2019	Shares of FCPE	CAPGEMINI TECHNOLOGY SERVICES MAROC S.A.	26 498 060
Suez Environnement Company	21/10/2019 13/12/2019	Shares of FCPE	Conseil Eau Environnement et Energie, Lydec, Matalimpex Maroc, Suez Atlas, Sita Boughaz, Suez el Beida, Suez Services Maroc, Suez Services Zones Franches Maroc and Société des Eaux de l'Oum Er Rbia	48 160 967

Source : AMMC

BOX NO. 8. THE REFERENCE DOCUMENT (1/2)

AMMC Circular No. 03/19 on financial transactions and information introduced a number of new features, including the outline of the reference document. This new framework gives issuers more flexibility in carrying out their financial transactions and allows investors, analysts and the public in general to better monitor their positions.

The reference document contains information about the issuer. It is processed and registered by the AMMC under the same conditions as a prospectus and is then made available to the public after registration. The reference document then remains valid until the issuer's new annual financial statements are drawn up, for a maximum period of 12 months.

During its validity period, the reference document may be used for various financial transactions of the issuer. It will then be sufficient to supplement it with a securities note, which will only contain information relating to the proposed transaction, to form a prospectus consisting of several documents. The adoption of this scheme allows the issuer to take advantage of exit opportunities on the market thanks to the reduced time required to process the securities note. The market is also better prepared for the issuer's transactions since it will have had access to all the information relating to the issuer prior to the launch of such transactions.

It should be noted that since the entry into force of Circular No. 03/19, information packages relating to negotiable debt security issuance programs must include a reference document, which must be updated annually, and a note on the negotiable debt security program, which must be updated in the event of a change in the characteristics of the program.

BOX NO. 8. THE REFERENCE DOCUMENT (2/2)

Accordingly, the AMMC registered the following 14 reference documents in 2019:

Issuer	Registration date of the reference document	Uses of the Reference Document
BMCE Bank Of Africa	11/10/2019	Capital increase reserved for CDC Group
BMCI	25/10/2019	Annual update of the CD issuance program Subordinated bond issue
Eqdom	13/11/2019	Annual update of the FCB issuance program Ordinary bond issue
RCI Finance Maroc	20/11/2019	Annual update of the FCB issuance program
Crédit Agricole du Maroc	22/11/2019	Annual update of the CD issuance program Subordinated bond issue
CDG Capital	29/11/2019	Annual update of the CD issuance program
SOFAC	03/12/2019	Annual update of the FCB issuance program
Douja Promotion Groupe Addoha	05/12/2019	Annual update of the CP issuance program Capital increase through cash contribution and offsetting of receivables
Label'Vie	13/12/2019	Annual update of the CP issuance program
Jet Contractors	23/12/2019	Annual update of the CP issuance program
FEC	24/12/2019	Annual update of the CD issuance program
Résidences Dar Saada	26/12/2019	Annual update of the CP issuance program
Crédit du Maroc	27/12/2019	Annual update of the CD issuance program
Managem	30/12/2019	Annual update of the CP issuance program

1.3 The authorization of collective investment schemes

1.3.1 UCITS

In 2019, the AMMC granted 222 approvals for UCITS, compared with 154 in 2018. These approvals included 76 authorizations of draft management regulations and UCITS articles of association and 146 approvals (visas) of summary prospectuses.

The 76 UCITS authorizations include 46 renewals and 30 new creations. Of the 146 summary prospectuses authorized, 28 correspond to newly marketed UCITS.

Table 26. Summary of UCITS approved in 2019

UCITS Categories	Authorizations			Approvals of prospectuses		
	Creation	Renewal	Total	Creation	Update	Total
Equity	2	12	14	0	20	20
Diversified	11	10	21	10	22	32
Money market	2	4	6	2	20	22
Short-term bonds	6	5	11	6	18	24
Medium and long-term bonds	9	15	24	10	37	47
Contractual	0	0	0	0	1	1
Total	30	46	76	28	118	146

Requests for approvals processed in 2019 were for :

- Updates to :
 - Allow UCITS to invest in a new asset class: perpetual bonds with interest absorption and/or cancellation mechanisms;
 - to extend the regulatory deadline for receiving subscription and redemption orders.
- The creation of new funds enabling management companies to broaden their product ranges and better meet the needs of institutional and retail investors;
- Renewing UCITS approvals in order to align them with the needs of existing or target customers (change in the UCITS category, its investment strategy, its profit allocation policy).

1.3.2 Securitization vehicles (FPCTs)

In 2019, the AMMC approved the creation of two new FPCTs and a compartment for the securitization of three different types of assets: mortgage loans, loans resulting from consumer credit contracts and trade receivables.

The authorized transactions are as follows:

- **FT MIFTAH COMPARTMENT " MIFTAH FONCTIONNAIRES II "**: Compartment managed by Attijari Titrisation, a management company which intervenes within the framework of the transaction relating to the securitization of receivables resulting from mortgage loans granted by Attijariwafa Bank to Moroccan civil servants. The subscription to the bonds of the aforementioned compartment was reserved to qualified investors under Moroccan law ;
- **FT CONSOPER** : Fund set up by Maghreb Titrisation, a management company, for the securitization of receivables resulting from consumer loans granted by the BCP (Banque Centrale Populaire) and the BPR (Banques Populaires Régionales) to their employees. The units issued by the said fund were the subject of a private placement with qualified investors under Moroccan law;
- **FT NOVUS** : Fund relating to the securitization of trade receivables held by Gharb Papier et Carton resulting from contracts for the supply of paper or corrugated cardboard packaging. The bonds issued by the fund were the subject of a private placement with qualified investors under Moroccan law.

1.3.3 Private equity investment vehicles (OPCCs)

In 2019, the AMMC granted four OPCC/OPCR approvals. Two authorizations of the draft management regulations were granted: the first on the occasion of the creation of SPCC IMPETUS, managed by the management company Upline Investments, with the objective of investing in companies operating in high-growth potential sectors, and the second on the occasion of the creation of SPCC AZUR Innovation Fund, managed by management company AZUR Innovation Management, with the objective of investing in innovative small and medium-sized enterprises. The other two approvals granted concern opinions of the AMMC on the legal documents of SCR PME Croissance on the occasion of the capital reduction and the change of the auditor of the said SCR.

1.3.4 Real estate investment schemes (OPCIs)

In 2019, the AMMC approved the draft management regulations of the Real Estate Investment Trust (REIT) CDG PREMIUM IMMO and the REIT CIH PATRIMMO managed by the management company AJARINVEST. These two new investment vehicles are OPCIs with leaner operating rules. Subscription to shares is reserved for qualified investors.

1.4 The approval of real estate appraisers of opci assets

In accordance with the provisions of Law No. 70-14 on OPCIs and Decree No. 2.18.32 implementing Articles 31 and 33 of the aforementioned Law No. 70-14 and following the work of the consultative commission in charge of issuing its opinion on applications for approval of real estate appraisers of OPCI assets, the AMMC was asked to give its opinion on applications for approval of real estate appraisers received by the Ministry of Economy

and Finance. The AMMC's opinion is formulated following verification that the necessary conditions for the exercise of the real estate appraiser's profession in OPCI assets are met. These conditions relate to professional experience in the field of real estate asset appraisal and the integrity of the managers and persons in charge of the real estate appraisal, as well as the necessary guarantees in terms of human, organizational and technical resources. At the end of 2019, eight real estate appraisers have been approved by the Minister of Economy and Finance after a favorable opinion from the above-mentioned commission.

2. CONTROL OF FINANCIAL INFORMATION

2.1 Periodic information

The periodic information required from issuers is intended to inform investors about their performance and financial situation.

AMMC Circular No. 03/19 on financial transactions and reporting which entered into force in June 2019, introduced new disclosure requirements for companies and organizations making public offerings. The main new features on this register are:

- Enriching the content of annual publications through the introduction of the annual financial report, which contains complete financial information, as well as certain non-financial information (management report, management commentary, auditors' fees, ESG report). In light of the information required, the deadline for publishing the annual financial report has been set at four months and the requirement to publish the accounts for the second half of the year within three months of the end of the financial year has been abolished. However, all issuers must, immediately after the annual financial statements have been approved by the body that draws up the annual accounts, publish a press release in a legal gazette to report on the main aggregates drawn up and explain the performance of the period;
- Enriching the content of the half-yearly publications by including in the half-yearly financial report a commentary by the management presenting the main highlights of the half-year, the main achievements in terms of operations and their impact on the accounts, and explaining the main changes in the said accounts;
- Introducing the obligation to publish, within two months of the end of each quarter, a press release containing financial and business indicators for the said half-year.

In 2019, issuers were required to publish the following periodic information:

- The financial statements for the 2018 financial year;
- The half-yearly financial reports for the first half of 2019;
- Quarterly indicators for the second and third quarters of 2019.

This information has been subject to regular controls by the AMMC, in particular with regard to:

- Compliance with publication deadlines and media;
- The comprehensiveness of the content required by the regulations;
- The clarity, consistency and relevance of the information published.

Table 25. Result of the control of the annual publications for the 2018 financial year

Type of observations	Number of observations
Non-compliance with financial publication deadlines	3
Non-compliance of the comprehensiveness of published statements	2

The publication of the annual financial statements for the 2018 financial year was carried out under the former public offering regime (applicable after the entry into force of AMMC Circular No. 03/19 relating to financial transactions and reporting.

Control of these publications reveals the following :

- Non-compliance with the publication deadline by Ciments du Maroc, Ennakl Automobiles and Stroc Industries;
- Non-compliance with the comprehensiveness of the statements published by Crédit Agricole du Maroc and DLM following the publication of the 2018 annual financial statements, accompanied by certificates of limited reviews instead of summaries of the statutory auditors' final reports.

Table 28. Result of the control of financial publications carried out pursuant to Circular No. 03/19

Type of observations	T2 2019	S1 2019	T3 2019
Non-compliance with financial publication deadlines	16	2	4

Following the entry into force in June 2019 of AMMC Circular No. 03/19 on financial transactions and reporting, issuers were subject to a new regime. It provides in particular for:

- The publication of quarterly indicators within two months following the end of each quarter. The first publication deadline concerned the second quarter of 2019, for which the indicators were to be published at the end of August, i.e. less than three months after the introduction of this new requirement;
- The publication of enhanced half-yearly financial reports, including a commentary by senior management on the half-year performance. The first deadline of this requirement was for the first half of 2019.

Monitoring compliance with the deadlines for publishing this information reveals the following:

- Non-compliance with the publication deadline for 2019 second quarter indicators by the following issuers: CFG Bank, Nexans Maroc, Promopharm, RCI Finance Maroc, Sogelease, ADI, Alliances Darna, Cosumar, Centrale Danone, DLM, Med Paper, Unimer, immolog, CDG Capital, Wafabail, and Stroc Industries;

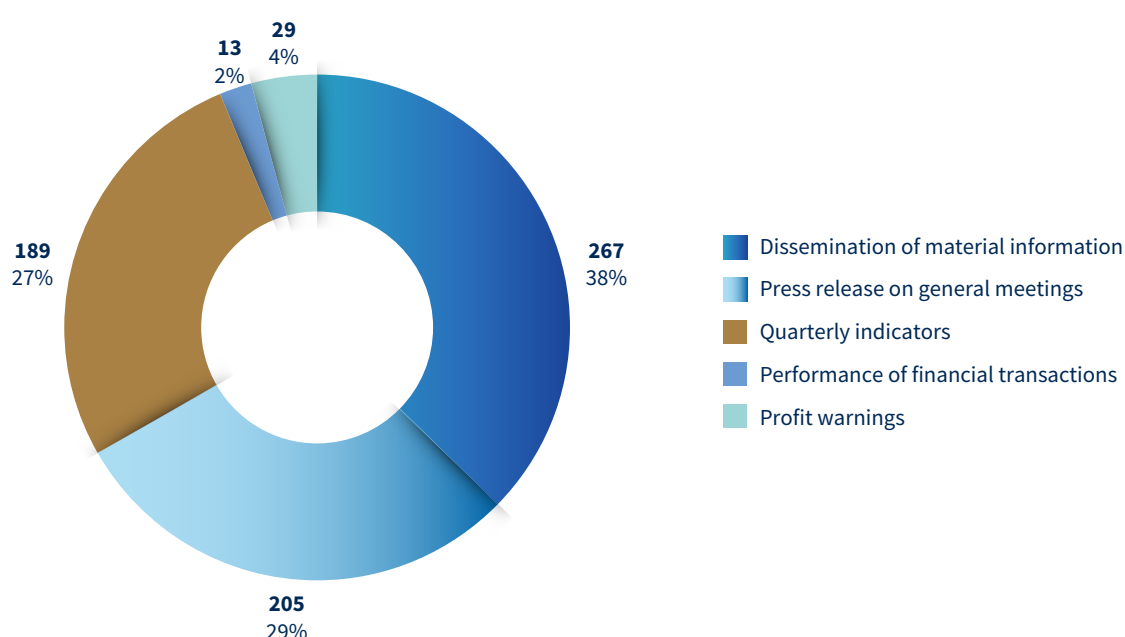
- Failure by DLM (consolidated financial statements) and Stroc Industries to meet the deadline for publishing the financial statements for the first half of 2019;
- Failure by Centrale Danone, DLM, IB Maroc and Stroc Industries to meet the publication deadline for the 2019 third-quarter indicators.

2.2 Material information

Legal entities making public offerings are subject to an obligation to disclose any information regarding their organization, as well as their commercial, technical or financial position that may have a significant impact on the stock market prices of their securities or an impact on the assets of security holders as soon as they become aware of it.

2.1.1 Type of publications

Graph 36. Breakdown of publications by press release topic in 2019



Source : AMMC

In 2019, issuers published 703 press releases compared to 409 in 2018, an increase of nearly 72%, mainly due to the new disclosure requirements introduced by AMMC Circular No. 03/19 on financial transactions and reporting.

The 189 press releases relating to quarterly indicators accounted for 27% of the press releases published in 2019 and 64% of the increase observed during the year.

In addition, 29% of the press releases published in 2019 concerned general meetings, 38% provided information on an important event and 4% were profit warnings to alert the public to the foreseeable decline in performance.

2.1.2 Suspension requests

In some circumstances and in order to preserve equal access to information, the AMMC requests the Casablanca Stock Exchange to temporarily suspend the listing of a security pending the publication of material information or within the framework of the filing of a public offering proposal. In 2019, no security was subject to a suspension request.

2.3 Threshold crossing disclosures

Threshold crossing disclosures are a disclosure obligation incumbent on shareholders who have crossed, upwards or downwards, the thresholds of ownership in listed companies. These thresholds of 5%, 10%, 20%, 33.33%, 50% and 66.66% are set by Articles 97 and 98 of Law No. 19-14 on the Stock Exchange, brokerage firms and financial investment advisors. Threshold crossing disclosures are controlled and processed by the AMMC, which makes them public via its website in order to report on changes in the shareholding structure of listed companies.

Table 29. Breakdown of disclosures by investor category

Investor Category	2018	2019
Threshold crossing disclosure (upward)	10	16
Legal entities established under foreign law	2	3
Legal entities established under Moroccan law	3	12
Natural persons	5	1
Threshold crossing disclosure (downward)	7	13
Legal entities established under foreign law	2	2
Legal entities established under Moroccan law	1	6
Natural persons	4	5
TOTAL threshold crossing disclosures	17	29

Source : AMMC

2.4 Repurchase programs of listed companies

Listed companies that have an ongoing repurchase program are required to submit a monthly statement to the AMMC, disclosing all transfers and acquisitions made either directly or through their subsidiaries during the previous month. In 2019, the analysis of the ongoing repurchase programs revealed the following observations:

- Two companies, BCP and Maroc Telecom, carried out transactions both under the repurchase program and under the liquidity agreement to which it is backed; cadre du programme de rachat que dans celui du contrat de liquidité qui lui est adossé ;
- The SNEP repurchase program expired in January 2019 and the company did not carry out any transactions during this month.

Table 30. Repurchase programs in 2019

Repurchase programs as at 31/12/2018	BCP, IAM et SNEP
Programs expiring in 2019	BCP, IAM et SNEP
Programs renewed in 2019	BCP et IAM
New programs approved in 2019	Aucun
Repurchase programs as at 31/12/2019	BCP et IAM

Source : AMMC

2.5 Ethics of listed companies

As part of the AMMC's efforts to promote ethics and good conduct within listed companies, the Authority has required the introduction of a code of ethics setting out the rules to be followed regarding the use of inside information by permanent and occasional insiders of such companies.

In addition to the code of conduct, listed companies must appoint a compliance officer responsible for drawing up a half-yearly report on their compliance with the code of conduct, in which they provide the AMMC with their assessments and any difficulties encountered in complying with the code one month after the end of each half-year. The report also includes the list of permanent and occasional insiders updated at the end of each half-year period.

The entry into force of AMMC Circular No. 03/19 in June 2019 resulted in new reporting obligations regarding the ethics of listed companies, including in particular the number of consultations of ethics officers by insiders and the favorable and unfavorable responses given, as well as keeping a register of transactions and the distribution of capital and voting rights.

A review of the reports submitted for the first and second half-years of 2019 reveals that two companies, IB Maroc and Stroc Industries, did not submit any reports.

In terms of failure to comply with the deadline for the submission of the ethics report, eight companies were late in submitting their reports for the first half of 2019 and five for the second half of 2019.

As for the comprehensiveness of the reports, the controls carried out revealed that five reports were incomplete for the first half of 2019 and three for the second half of 2019. Following the follow-up of the AMMC, the companies concerned by a lack of comprehensiveness all undertook remedial action.

Table31. Results of the control of listed companies' ethics reports

	S1 2019	S2 2019
No submission	2	2
Non-compliance with the submission deadline	8	5
Non-compliance with regards to the comprehensiveness of the report	5	3

Source : AMMC

2.6 Reporting On Corporate Social Responsibility

In addition to the new rules relating to the ethics of listed companies, Circular No. 03/19 provided for new rules aimed at improving the transparency of issuers and strengthening investor confidence. These rules, which are in line with international standards, include, among other provisions, the publication of an annual Social Environment and Governance (ESG) report.

The ESG report is addressed to all the issuer's stakeholders. Its purpose is to provide information on the issuer's strategy in terms of social and environmental responsibility, the impact of its activities on the environment, the social relations it maintains with its employees and the mechanisms of its governance.

The ESG report is an integral part of the annual financial report and is subject to the same publication procedures. The deadline for the first implementation of the ESG reporting requirement is 30 April 2020.

3. CONTROL OF PARTICIPANTS AND MARKET INFRASTRUCTURE

The AMMC supervises the activities, organization and resources of participants and market undertakings to ensure that they operate under secure conditions in compliance with the legal and regulatory provisions that govern them.

This supervision is carried out in two complementary forms: on-site inspections at the participants' premises, and documentary audits through the analysis of financial statements submitted to the AMMC via the "Market Authority Exchange and Supervision System" (SESAM) platform.

3.1 On-site inspections

As part of the operationalization of the AMMC's new organization, the year 2019 was marked by the updating of control procedures, the implementation of a new approach to conducting inspections and a new typology of missions combining missions that cover a broader scope and hence all processes and those that cover the occurrence of new risks or that aim to analyze certain market practices. There are three types of inspection missions :

- The post-inspection mission (SCAN) is subject to annual or multi-year planning and covers all of a participant's areas of activity and processes;
- The thematic mission (SCOP) is triggered on the basis of feedback related to the occurrence of a new risk;
- The periodic mission (SCRIN) consists of short thematic inspections, targeted on a specific theme, carried out on several participants at the same time. The main objective is to compare certain practices of market participants in a specific area in order to identify good and bad practices based on a reference framework (national regulations, international standards, etc.).

Table 32. Summary of inspection missions

Types of missions	Brokerage firms		Account keepers		Management companies	
	2018	2019	2018	2019	2018	2019
Inspection Missions						
Post-inspection Missions (SCAN)	1	1	1		1	1
Thematic Missions (SCOP)	4		3			
Periodic Missions (SCRIN)	5	6		5		3
Total	10	7	4	5	1	4

Source : AMMC

In 2019, the AMMC conducted sixteen inspection missions to brokerage firms, account keepers and management companies, divided between two post-inspection missions and fourteen periodic missions.

3.1.1 Post-inspection Missions (SCAN)

The AMMC conducted two post-inspection missions in 2019, one to a UCITS management company and the other to a brokerage firm.

The first mission was carried out with the UCITS management company CFG Gestion. Its purpose was to ensure that the management company has the financial, human, organizational and technical resources necessary to carry out its activities under secure conditions and that it manages the UCITS in accordance with the regulations in force and in the exclusive interest of the shareholders and unitholders of the said UCITS. This mission also aimed to evaluate the anti-money laundering and combating the financing of terrorism mechanism implemented by the company.

The second post-inspection mission concerned the brokerage firm MENA CP. It focused on the financial standing, the quality and adequacy of the resources deployed, the reliability of processing and control processes, as well as compliance with legal and regulatory provisions in the exercise of its activities, and the AML/CFT system set up by the company.

3- Supervision and Control of a market participant planned on an annual basis
4- Supervision and Control Restricted to Identified or Notified Risks
5- Supervision and Control of Operators regarding Certain Market Practices

3.1.2 Periodic Missions (SCRIN)

Periodic missions were conducted with six brokerage firms, five account keepers and three management companies.

The AMMC conducted an inspection mission to the fund management company AD Capital, the purpose of which was to verify the company's financial capacity, compliance with ethical rules and legal and regulatory provisions in the exercise of its various activities, as well as the AMMC's anti-money laundering and combating the financing of terrorism mechanism.

The two other inspection missions were carried out at the OPCR management companies Upline Investments and Valoris Capital. Their purpose was to verify the resources and procedures for effectively launching the business, where applicable.

In addition, in order to monitor compliance with the procedures for collecting subscriptions for the public offering of Itissalat Al Maghrib shares, the AMMC carried out missions to nine investment syndicate members: Attijariwafa Bank, Attijari Intermédiation, Banque Centrale Populaire, BMCE Bank, BMCE Capital Bourse, CFG Bank, CFG Marchés, Upline Securities and Sogécapital Bourse.

Within the framework of market surveillance, two periodic missions were conducted with the brokerage firm Sogécapital Bourse and the account keeper Société Générale Maroc.

3.2 Documentary controls

As part of the monitoring of participants, the AMMC carries out a documentary inspection based on the information and documents that must be submitted to it, according to the specific periods and deadlines for each report.

This inspection includes, among other things, monitoring and analysis:

- The evolution of the quarterly activity and financial indicators of the stakeholders;
- Monthly securities lending transactions;
- Compliance with the various prudential rules applicable to them;
- Half-yearly reports from internal controllers;
- Half-yearly contributions to the guarantee fund;
- ...

These inspections allow the AMMC to:

- Make recommendations that can improve market practices and internal processes of stakeholders;
- Enhance the risk mapping of market participants in order to obtain a more detailed assessment of each participant's level of compliance with legal and regulatory requirements in terms of human, financial, organizational and technical resources, as well as their level of exposure to the various risks associated with their activities.

In addition, the AMMC places particular importance on the monitoring of reported incidents.

In this context, it ensures a meticulous monitoring of all these incidents until their closure, in order to assess their origin, criticality, frequency, impact as well as the action plan implemented by the participant in order to remedy them.

In addition, in the context of monitoring and support provided to participants, the AMMC also handles all their requests and consultations relating to:

- Their development projects;
- The optimization of their operational processes;
- The digitalization of processing and processes;
- ...

3.2.1 Control of the company managing the stock exchange

• Monitoring of incidents

The downward trend in the number of incidents recorded by the Casablanca Stock Exchange is confirmed with a 50% drop. In 2019, only two incidents were recorded versus ten in 2017 and four in 2018. The level of criticality of the incidents recorded in 2019 remains moderate. The incidents concerned the trading platform and telecoms and had a controlled impact on the Casablanca Stock Exchange, brokerage firms and other market players. They led to the implementation of immediate corrective actions and were all resolved. Preventive measures were deployed in order to avoid their recurrence.

The decrease in the number of incidents recorded since 2017 is explained by the level of performance and stability of the new Millennium IT trading and monitoring platform implemented in August 2016, as well as by the maturity level reached by the Casablanca Stock Exchange, particularly in terms of self-monitoring and control of transactions.

• Audit Missions

An external audit mission was carried out by Bureau Veritas within the Casablanca Stock Exchange in order to assess whether the management system covers the requirements of the ISO 27001:2013 and ISO 9001:2015 standards.

3.2.2 Control of the Central Depository

• Monitoring of incidents

Maroclear, the Central Depository, recorded a 12.5% increase in the number of incidents, from eight in 2018 to nine in 2019. These incidents were classified as low to moderate in terms of criticality. They concerned transactions management, the settlement platform and telecoms.

The reported incidents did not have a major impact on the activity of market participants. They were handled by Maroclear teams and were the subject of a diagnosis which led to a set of corrective and preventive actions.

• Audit Missions

Maroclear's governance bodies have set up an annual audit plan covering several areas of activity. In this respect, five audit missions were conducted in 2019 to assess the effectiveness and relevance of operational processes, including the technical security of the information system and the information security management system (ISMS).

3.2.3 Control of brokerage firms and account keepers

In 2019, the AMMC received 83 notifications of incidents from brokerage firms and banks in connection with securities account-keeping activities, compared with 96 in 2018.

Table 33. Number and typology of incidents reported to the AMMC in 2019

	Activity-related incidents	Incidents techniques	Other incidents
Brokerage firms	15	43	0
Banks	13	9	3

Source : AMMC

Table 34. Typology of incidents reported by brokerage firms

	Activity-related incidents		Technical Incidents	
Brokerage firms	Prudential regulations	5	Telecommunication links	13
	Order executions	7	System bugs	17
	Customer incidents (excluding claims)	1	Listing/trading platform	6
	Constitution of the net long position	2	Telephone recorders	3
			Synchronization between systems	3
			Maroclear platform	1

Source : AMMC

Table 35. Typology of incidents reported by banks

	Activity-related incidents		Technical Incidents	
Banks	Transaction settlement	5	Telecommunication links	8
	Securities transactions	3	Maroclear platform	1
	Accounting of transactions	2		
	Securities transfer	1		
	Constitution of the net long position	1		
	(Customer incidents (excluding claims	1		

Source : AMMC

A large proportion of the reported incidents are of low to moderate criticality and involve technical problems, such as outages or bugs with a momentary interruption of activity, telecommunications link failures that have been resolved, or problems related to the settlement of transactions.

3.2.4 Control of Collective Investment Undertakings (UCIs) and their management companies

Control of UCITS

UCITS need to comply with the laws and regulations to which they are subject and which mainly relate to compliance, such as:

- Prudential rules relating to the composition of their assets which define the proportions of securities, repurchase agreements, securities lending transactions and liquid assets constituting their portfolio as well as the maximum level of debts which they are authorized to incur. They aim to contain and control the main risks to which UCITS are subject: market risk, counterparty risk, liquidity risk and leverage risk;
- The classification and investment strategy as specified in their information memorandum;
- The exclusive interest of their unitholders or shareholders in all transactions they initiate;
- Investor reporting obligations.

Control of UCITS management companies

The documentary inspection of UCITS management companies mainly concerns :

- Compliance by management companies with all the legal and regulatory provisions governing their activities;
- Adequacy between the resources implemented by the management companies (financial, human, technical and organizational resources) and the activities carried out by these companies;
- Compliance by the said companies with the primacy of the interests of the investors whose assets they manage ;
- Compliance by the said companies with their reporting obligations ;
- Evaluation and monitoring of the risks borne by the said companies;
- Validation of advertising campaigns concerning the said companies or the UCITS that they manage.

4. MARKET DISCIPLINE

4.1 Monitoring stock market transactions

The purpose of market surveillance is to detect any event or behavior that may constitute a stock market offence, or any other breach of the regulations applicable to market participants.

In this context, it provides real-time, online monitoring of stock market data and market participants, which is supplemented by data collected from the various participants (transaction reports transmitted by brokerage firms and account keepers) and by information disseminated by issuers or listed companies (financial publications, press articles, social networks). This surveillance system is based on an electronic monitoring solution and database management tools.

The year 2019 was also marked by the completion of work on the implementation of a client code for orders entered by brokerage firms, which makes it possible to ascertain the type of investor (retail, institutional investor) and to check their eligibility to invest in certain compartments, such as those reserved for qualified investors.

Table 36. Surveillance Scope

	2018	2019
Securities under surveillance*	122	114
- Listed stocks	76	75
- Listed bonds	46	39
Number of orders introduced**	487 225	331 959
- Daily Average	1 973	1 349
Number of recorded transactions***	185 585	146 425
- Daily average	751	595

Source: Casablanca Stock Exchange.

* As at 31/12

** On the central equity market

*** Central and block market

The results for the year 2019 reveal 1,140 significant events⁶. Ten cases of suspected offences were identified and thoroughly analyzed. In addition, six awareness-raising campaigns were carried out, particularly with regard to market participants or investors using the online stock exchange.

6- A significant event may relate to exceptional volume, price volatility, compliance with the terms and conditions for the execution of repurchase or market-making programs, etc.

Table 37. Nature of the analyzed suspicions

Nature of the suspicion	Number
Market Manipulation	4
Insider trading	1
Other	5
Total	10

Significant events are detected in real time based on the monitoring of trading sessions and market events. They are examined on the basis of information gathered from intermediaries about investors and their profiles, so that suspicious behavior can be identified and thoroughly analyzed.

246 trading sessions
1 140 significant events
10 in-depth analyses of records

4.2 Investigations

The investigations conducted by the AMMC are opened by the Chair of the Authority following the detection of anomalies on the stock market, after the receipt of a complaint or following a control of a participant or an issuer. In general, they are carried out following the suspicion of an infringement of the current legislation.

In addition to finalizing the processing of two investigations opened in 2018, the year 2019 was characterized by the opening of three investigations on behavior likely to affect the proper functioning of the capital market.

The first concerned suspicions relating to the management of a fund of collective investment schemes. The second and third concerned suspicions relating to the behavior of a collective investment scheme management company. These investigations were prompted by investor complaints in the case of the first and an inspection mission in the case of the other two.

To conduct these investigations, the AMMC carried out investigations at the premises of the market participants concerned and conducted eight hearings in order to gather input from stakeholders.

In addition, the AMMC provides assistance to the national authorities in processing requests from the various judicial authorities in the Kingdom. In 2019, it received 209 summons, an increase of 182% compared to 2018, 53% of which came from the National Judicial Police Brigade (BNPJ) and 40% from the Regional Judicial Police Brigades (BRPJ). The latter mainly concern the identification of securities accounts opened on behalf of persons under judicial investigation.

4.3 Complaints handling

In 2019, the AMMC received eleven complaints that took an average of twenty-five days to be processed, compared to forty-seven in 2018. Of these complaints, three were not admissible because their subject matter did not fall within the AMMC's field of competence. It should be recalled that the admissibility of any complaint or claim is subject to certain requirements:

- Having made a prior complaint to the person concerned, having remained unsuccessful for more than a month from the date of its submission or having been rejected in whole or in part;
- Not be the subject of legal proceedings pending before any court, or not have been the subject of a judicial decision which has the force of *res judicata*.

All of the complaints handled in 2019 concerned disputes between investors and market participants or issuers. Some of these complaints led to the opening of an investigation.

5. ENFORCEMENT POWER

5.1 Organization of the ammc's enforcement power

The Law No. 43-12 sets out a strict separation between the power to investigate reprehensible acts, in connection with capital market regulation, and the power to impose disciplinary and/or pecuniary sanctions on the perpetrators of such acts.

At the end of the investigation carried out by the Enforcement Committee, an opinion recommending an administrative sanction or the closure of the case is sent by the Chairman of this body to the Chairperson of the AMMC for a decision.

The Chairperson of the AMMC then pronounces a decision in accordance with the assent of the Enforcement Committee.

5.2 Exercising of the ammc's enforcement power

In 2019, the AMMC Chair took the following decisions :

- Eleven disciplinary and/or financial penalty decisions;
- Three late penalties;
- One decision to refer a criminal offence file to the courts;
- One decision to close a criminal offence file on the grounds that the statute of limitations had expired;
- One decision to close a file of misconduct for unproven facts.

6. ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML/CFT)

The national AML/CFT (Anti-Money Laundering and Combating the Financing of Terrorism) framework is supported by several actors at the national level (Financial Intelligence Unit "UTRF", supervision and control authorities, judicial authorities, public administrations, etc.).

The Financial Intelligence Unit is at the center of the Moroccan AML/CFT system. It has general and policymaking powers, operational powers, and supervision and control powers. It is composed of representatives of all the authorities and administrations concerned.

The AMMC, as a control and supervision authority of the capital market, plays an important role in the said framework by ensuring compliance with the laws and regulations in force relating to AML/CFT by the persons and bodies subject to its control. The AMMC's prerogatives in the area of AML/CFT are implemented through documentary and on-site inspections as well as by setting and defining the terms and conditions for the application of the legal provisions in this area.

Following the assessment carried out by the Middle East and North Africa Financial Action Task Force (MENAFATF) in 2018, and with a view to strengthening the national AML/CFT framework, the AMMC has drawn up a road map dedicated to the capital market, the implementation of which started in 2019. Several actions have been carried out.

6.1 Publication of the aml/cft handbook for capital market participants

In December 2019, the AMMC published a handbook to simplify and illustrate the obligations incumbent on regulated persons with regard to vigilance and internal monitoring.

This tool is intended to raise awareness and support capital market participants to ensure the effective implementation of AML/CFT obligations. Through an instructive and didactic approach, it presents the legal and regulatory requirements in order to protect stakeholders against any exploitation for AML/CFT purposes.

Available in Arabic, French and English, it is structured around four main topics: global risk assessment, deployment of the vigilance and internal monitoring system, customer identification, vigilance measures and monitoring and control of transactions.

6.2 Signing of the memorandum of understanding with the financial intelligence unit

In June 2019, with a view to strengthening cooperation at the national level, , and in the presence of the Head of Government, the AMMC and the Financial Intelligence Unit signed a Memorandum of Understanding on the sidelines of the National Conference on the theme "Impact of National Risk Assessment on Anti-Money Laundering and Combating the Financing of Terrorism".

This MoU aims to strengthen cooperation and coordination between the two parties in the area of anti-money laundering and combating the financing of terrorism through the implementation of concerted and targeted actions, the effective exchange of intelligence and the sharing of experiences and expertise. The Protocol also provides for the establishment of a Joint Technical Committee for the practical implementation of the agreed resolutions.

6.3 Organization of awareness-raising meetings for the benefit of market participants

In November 2019, through a proactive and participatory approach, the AMMC organized on its premises awareness-raising sessions for internal controllers of brokerage firms and management companies, in the presence of representatives of their professional associations (APSB and ASFIM).

The aim of this initiative was to further explain the national issues at stake in anti-money laundering and combating the financing of terrorism. In particular, it highlighted the legal obligations that must be observed and stressed the key role of the internal control system in the effective implementation of these obligations

6.4 Strengthening coordination among financial sector regulators

In order to coordinate mutual AML/CFT efforts, the Systemic Risk Coordination and Monitoring Committee (SRCCSMC) has monitored the progress of the measures taken to implement the AML/CFT recommendations of the MENAFATF. Within this framework, the regulators undertook actions aimed at recasting the legal framework, finalizing the National Risk Assessment (NRA), issuing handbooks for financial stakeholders as well as strengthening awareness and supervision initiatives.

6.5 Completion of the amendments to law no. 43-05

The amendment of Law No. 43-05 is one of the priority projects in terms of technical compliance of the Kingdom of Morocco to FATF standards. The AMMC was requested to contribute to this amendment project and took part in the work and meetings organized respectively at the Ministry of Justice and the General Secretariat of the Government with a view to formulating proposals for amendment.

6.6 Completion of the national risk assessment report (NRA)

The year 2019 was marked by the adoption and dissemination by the Financial Intelligence Unit of the findings of the National Risk Assessment Report (NRA). This process was preceded by the active participation of the AMMC, in collaboration with other stakeholders, in preparing this important document to understand, identify and assess AML/CFT risks at the national and sectoral levels.

The AMMC took part in the workshops organized by the Financial Intelligence Unit with the assistance of the World Bank to refine the risk assessment results according to the methodology developed by the World Bank and in order to meet the requirements of the FATF.

Furthermore, in 2019 the AMMC actively participated in the various events organized by national and international bodies :

• **Participation in the 29th MENAFATF Plenary :**

The AMMC was part of the Moroccan delegation that took part in the work of the 29th MENAFATF Plenary meeting, held in April 2019 in Jordan, which was marked by the final adoption of the report of the mutual evaluation of the Kingdom of Morocco.

• **Preparation of the 1st Follow-up Report for MENAFATF :**

Following the adoption and publication of the mutual evaluation report of the Kingdom of Morocco by MENAFATF, the national regulatory authorities and all stakeholders were solicited to outline the corrective measures undertaken at their level in order to remedy the shortcomings identified by the said report.

The AMMC actively participated in the preparation of this first follow-up report, recalling all the actions and projects that the Authority has initiated in this framework.

• **United Nations Mission :**

The AMMC took part in the preparatory meetings and in the conduct of the visit of the experts of the United Nations Counter-Terrorism Executive Directorate (CTED), which is part of the monitoring and evaluation of the national mechanism for combating terrorism and its financing.

7. SYSTEMIC RISK MONITORING

7.1 Enhancement of the systemic risk assessment approach

In 2019, the AMMC enhanced its organizational and analytical framework for systemic risk management. At the organizational level, the channels for exchanging information between the Risk Management entity and the Authority's various departments were strengthened, with the aim of fostering interactions to enrich the data needed to identify and assess systemic risks, focusing on the most relevant risk analysis criteria, in particular:

- Risk premiums;
- The interconnection between the different components of the capital market;
- The indebtedness of market participants, issuers and collective investment schemes;
- Market transparency and fairness;
- The liquidity of markets, market participants, issuers and collective investment schemes.

With regard to the analytical framework, changes have been made to the presentation of the results of the systemic risk assessment. These are now the subject of two additional reviews.

The first review aims to highlight the location of risks by capital market area, as follows :

- Systemic stress ;
- Markets and issuers ;
- Investors and funds ;
- Infrastructures and market participants.

The second review highlights the levels of risk by category, namely:

- Liquidity risk;
- Market risk;
- Credit risk;
- Operational risk;
- Interconnection.

These evaluations by risk areas and categories are based on a reference scale that uses quantitative and qualitative criteria. The analysis of systemic risks has therefore been enriched by the introduction of several indicators, notably the composite index of systemic stress and the stock market illiquidity index.

The Composite Systemic Stress Index : this indicator used at the international level aims to measure the level of "systemic stress", i.e. the current state of instability in the financial system as a whole. It covers the most important segments of the financial system whose level of stress is measured on the basis of raw indicators, thereby capturing certain symptoms of financial stress in the segment in question. The main feature of this indicator is the application of standard portfolio theory for the aggregation of measures relating to the indicators of each segment in the composite index.

Stock market illiquidity index : this indicator has been designed by adopting the methodology developed by the European Securities and Markets Authority. It is based on the aggregation of several illiquidity indicators into a single overall index, using the principal component analysis (PCA) method, which allows several characteristics to be reduced to one or two variables.

7.2 Half-yearly analysis of systemic risk indicators

Work on the assessment of systemic risks is carried out on a half-yearly basis. It consists of analyzing the level of stability in the financial market and identifying, on the basis of market trends, the various risks that could have a negative impact on this stability.

This work is based on the analysis of several types of indicators, in particular those relating to asset prices, liquidity, interconnection, indebtedness and the macroeconomic environment. Risk assessment is made on a five-level scale: very low, low, moderate, high and critical.

The assessment of risk indicators in the second half of 2019 shows that the capital market as a whole has remained relatively stable, with a level of systemic stress that has remained low for the past two years, mainly owing to the stability of money and bond markets.

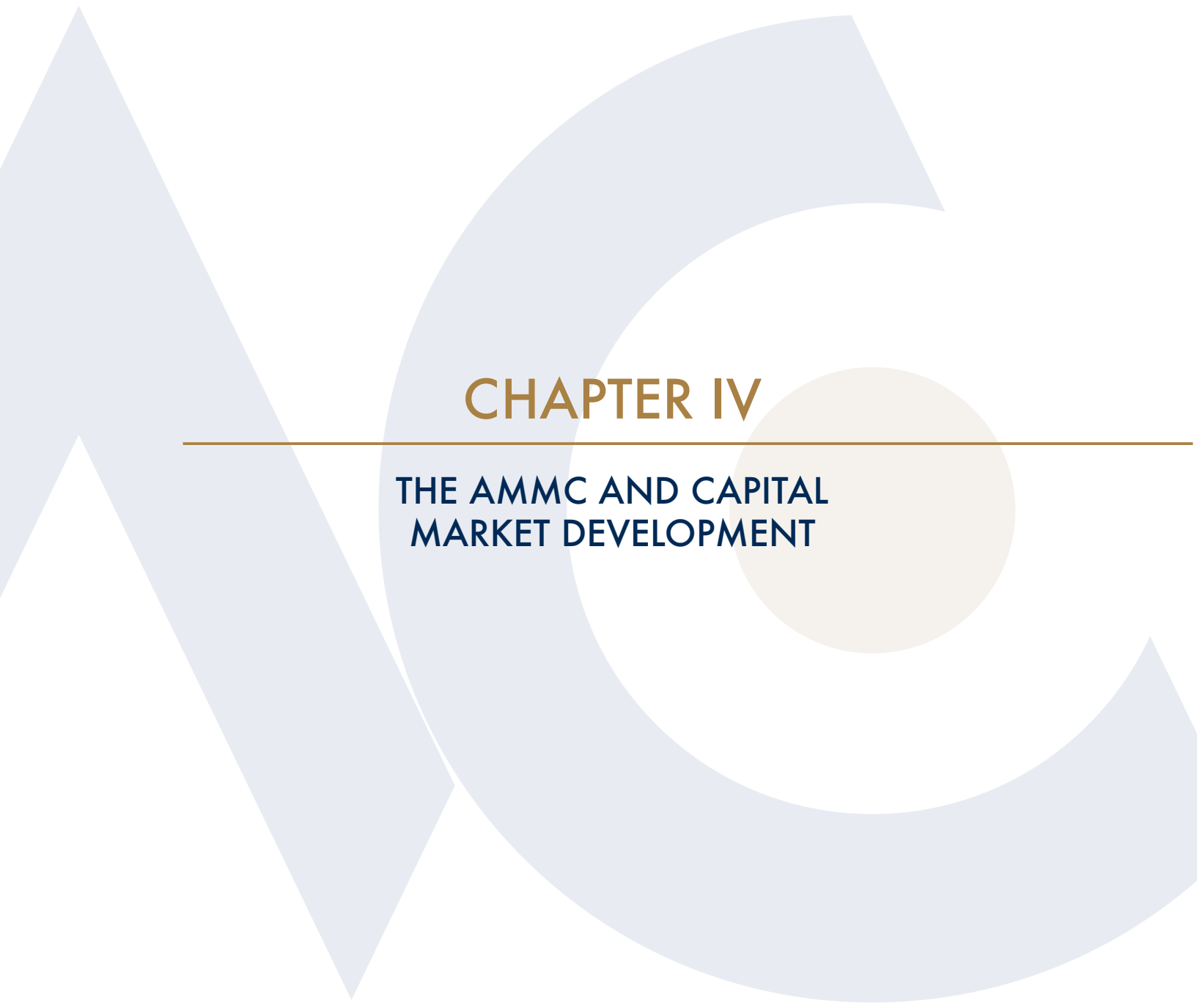
The capital market regained some momentum in the second half of 2019 while maintaining good stability. This occurred against the backdrop of a stock market that wiped out the losses recorded at the beginning of the year and a decline in volatility on the equity market and on the medium- and long-term bond compartment. The stock market valuation level, although in slight correction, remains at a high level with a PER of 19.3 times.

Driven mainly by the certificates of deposit compartment, the private debt market showed a 10% year-on-year increase in issues at the end of September 2019. It should also be noted that issues on the bond segment fell by almost 54%. Overall, the private debt market continues to be driven by the financial sector, which accounts for 86% of issues, compared with only 14% for non-financial issuers.

Risks related to the operation of the Casablanca Stock Exchange and the Maroclear Central Depository remain relatively low, given the low level of suspense of stock market transactions as well as the very limited number of operational incidents.







CHAPTER IV

THE AMMC AND CAPITAL MARKET DEVELOPMENT

1. REGULATORY DEVELOPMENT

The 2019 financial year was marked by the continuation, finalization or publication in the Official Gazette of a series of legislative and regulatory texts to which the AMMC contributed.

1.1 Legislative and regulatory texts published in the official gazette

1.1.1 Law No. 21-18 on personal property securities

The law, published in the Official Gazette No. 6771 of 22 April 2019, established a new personal property security regime. The law introduces a modern legal regime for personal property securities, allowing the use of tangible and intangible movable assets as collateral to obtain bank financing, in particular for SMEs.

Also, this new regime preserves the rights of creditors through the implementation of:

- The Electronic National Register of Movable Securities;
- Mechanisms for the enforcement of security rights;
- The modalities for the representation of creditors.

1.1.2 Law No. 20-19 amending and supplementing Law No. 17.95 on public limited companies

The Law No. 20-19, published in the Official Gazette No. 6773 of 29 April 2019, strengthened the governance system of public limited companies through the introduction of new provisions on :

- The obligation for public limited companies making public offerings to appoint at least one independent director, as well as setting the independence criteria applicable to them;
 - The obligation to appoint an independent director as chairman of the audit committee;
 - The introduction of the concepts of executive and non-executive directors.
- indépendant ;

1.1.3 Law No. 21-19 amending and supplementing Law No. 5-96 on general partnerships, limited partnerships, limited joint-stock partnerships, limited liability companies and joint ventures

Law No. 21-19 published in the Official Gazette No. 6773 of 29 April 2019 has improved the governance system within limited liability companies through :

- The authorization for a number of partners representing a determined fraction of the share capital to request a general meeting and included draft resolutions on the agenda of the said meeting;
- The obligation of prior authorization by the shareholders' meeting for the sale of the company's assets, in particular when they represent more than 50% of the company's assets and when the said transactions take place over a period of twelve months;
- The setting of the deadline for the payment of dividends at nine months after the end of the financial year, following the example of Law No. 17.95 on public limited companies.

1.1.4 Order of the Minister of the Economy and Finance No. 2305-18 issued for the implementation of Articles 3, 27, 36, 54, 69, 71, 75, 90 of Law No. 70-14 on OPCIs

Published in the Official Gazette No. 6750 of 7 February 2019, the order specifies:

- Liquid financial instruments ;
- Related activities that may be carried out by asset management companies;
- The methods for calculating the net asset value;
- Borrowing limits for OPCI-RFAs (with lighter operating rules);
- The rate of the annual fee to be paid by any OPCI to the AMMC;
- The list of real rights relating to immovable property acquired or built for rental, and buildings under construction intended for rental;
- The eligibility criteria for the assets of an OPCI and the levels of representation of the assets;
- Current account prepayments that may be granted by an OPCI to certain companies;
- Movements in income adjustment accounts and net distributable capital gains or losses, with a view to maintaining the unit distributable sums in the event of subscription or redemption;
- The percentages of the amounts distributable by the OPCI management company.

1.1.5 Orders implementing Law No. 41-05 relating to Venture capital investment vehicles "OPCCs"

Two orders issued by the Minister of Economy and Finance were published in the Official Gazette No. 6765 of 1 April 2019:

- Order No. 129-19 of the Minister of Economy and Finance setting the threshold and methods for calculating the shareholders' equity of management companies of venture capital investment vehicles "OPCCs", which stipulates that the aforementioned threshold must at all times be at least equal to the higher of the following two values:
 - The amount of the capital of the management company;
 - One quarter of the annual operating expenses.
- Order No. 130-19 of the Minister of Economy and Finance setting the rate, the methods of calculation and payment of the fee to be paid by venture capital investment vehicles to the AMMC, as well as the mark-up rate in the event of non-payment of the said fee.

1.1.6 Decree No. 2-18-827 establishing the composition and operating procedures of the futures market coordination body

Published in the Official Gazette No. 6781 of 27 May 2019, this decree establishes the composition of the body of members chosen by Bank-Al-Maghrib and the AMMC: two representatives for each authority with one alternate representative for each.

The chairmanship of the body is held by the two authorities in turn for a period of two years, and meetings of the body are held at least four times a year.

1.1.7 Order No. 1804-19 of the Minister of Economy and Finance amending and supplementing Order No. 2541-13 on the composition of UCITS assets

Published in the Official Gazette No. 6786 of 13 June 2019, the amendment made by this order concerns the following items :

- The list of cash and securities that may be included in a UCITS' assets as well as their ceilings ;
- The percentage of a UCITS' holdings of the same category of transferable securities issued by the same issuer;
- The percentage of use by a UCITS of its assets in Negotiable Debt Securities ("NDS"), units of venture capital investment vehicles ("OPCCs") and units of securitization vehicles ("FPCTs").

1.1.8 Order of the Minister of Economy and Finance No. 2208-19 approving the General Regulations of the Stock Exchange

The Order was published in Official Gazette No. 6806 of 22 August 2019.

The recasting of the General Regulations of the Casablanca Stock Exchange is the consequence of the adoption of Law No. 19-14 on the Stock Exchange, brokerage firms and financial investment advisors.

1.1.9 Decree No. 2-19-327 implementing Law No. 21-18 on personal property securities

Published in Official Gazette No. 6832 of 21 November 2019, the decree establishes :

- the procedures for the publication of personal property security rights, the transactions assimilated to them, and the related entries and write-offs in the National Electronic Register of Personal Property Security Rights;
- the rules and procedures for maintaining and managing the National Electronic Register of Personal Property Security Rights, as well as the elements to be contained in certain entries in the register.

BOX NO. 9. STOCK EXCHANGE REFORM

Law No. 19-14 on the Stock Exchange, brokerage firms and financial investment advisors (published in the Official Gazette of 16 March 2017) and the General Regulations of the Stock Exchange constitute a major reform of the Casablanca Stock Exchange.

Indeed, this new legislative and regulatory framework introduces provisions for:

- An increased flexibility in defining the market architecture and adapting it to the developments and needs of the players, in particular SMEs for which an alternative market with lighter rules has been set up;
- A broadening of the range of financial instruments that can be listed on the Stock Exchange;
- The supervision of financial investment advisors.

A more flexible architecture

Of the regulation:

- A law that defines the general principles.
- General regulations setting out the practical details .
- Instructions from the company managing the stock exchange that further elaborate on the practicalities.

Of the market:

- A main market and an alternative market dedicated to SMEs.
- 8 compartments, 2 of which are reserved for qualified investors.
- Option to modify the compartments according to market needs.

New opportunities

Introduction of new listed instruments :

- UCITS
- OPCT
- OPCR

Recognition of new listing opportunities :

- Instruments issued by foreign issuers.
- Instruments listed in foreign currencies.
- Double listing with fungibility of securities.

New service:

- Trading service for unlisted financial instruments.

Supervision of financial investment advisors

Trading service for unlisted financial instruments :

- Concerns professionals who provide financial advisory services to issuers and investors.
- Subject to the obligation to register with the AMMC, as well as to professional rules of conduct.
- Helps to improve market confidence by professionalizing these central players.

Creation of reconversion opportunities for brokerage firms :

- Brokerage firms that wish to do so can become a FIA through an appropriate process (provisional agreement, followed by a definitive registration).

1.2 Draft legislative and regulatory texts

1.2.1 Draft amendment of the Dahir providing Law No. 1-93-213 on UCITS

This draft law aims to modernize the legislative framework governing UCITS. In particular, it provides for :

- The constitution of compartmentalized UCITS;
- The introduction of UCITS with lighter rules for their creation and operation;
- The admission of UCITS securities to trading on a regulated market;
- The broadening of UCITS' investment opportunities abroad.

The draft law, prepared in consultation with the AMMC, the Treasury and External Finance Department (DTFE) and the Association of Moroccan Management Companies and Investment Funds, is under finalization with the coordination of the DTFE.

1.2.2 Draft law No. 92-18 amending and supplementing law No. 17.95 relating to public limited companies

The afore-mentioned draft law is part of Morocco's membership to the Global Forum on Transparency and Exchange of Information for tax purposes. It is in line with national anti-money-laundering efforts.

The said project lays down the principles for the abolition of "bearer" shares, reserving their issue only for public limited companies listed on the stock exchange.

It also provides for a transitional period for regularizing the status of bearer shares issued prior to the entry into force of the draft law.

1.2.3 Draft law No. 15-18 on crowdfunding

The purpose of this draft law is to lay down a legal framework governing crowdfunding activities operated through online platforms allowing direct and transparent contact between project leaders and contributors. These activities can be operated through three different forms of financing, namely, loans, capital investment and grants.

The AMMC and Bank Al-Maghrib have been designated as the regulatory authorities in charge of the approval of the management companies of crowdfunding platforms, whether they are capital investment platforms (AMMC) or loan or grant platforms (Bank Al-Maghrib).

The draft law was subject to public consultation between 21 March 2018 and 19 April 2019 and the final version was adopted by the Government Council on 22 August 2019.

1.2.4 Draft Law No. 12-18 amending and supplementing Law No. 43-05 relating to anti-money-laundering

The draft law falls within the framework of the continuation of efforts to adapt the national legislative framework to the standards and norms adopted at the international level by the

Financial Action Task Force "FATF" as a result of their recent developments. The draft law was approved with reservations by the Government Council on 28 November 2019 and will therefore have to be reviewed in order to lift these reservations.

1.2.5 Draft law No. 87-12 on covered bonds

Draft law No. 87-12 introduces new means of liquidity for the approved banks in accordance with law No. 103-12. These are bonds collateralized against a pool of securities and liens whose issue is exclusively reserved for banks. The issuance of covered bonds is subject to the prior authorization of Bank Al-Maghrib.

1.2.6 Draft Budget Law for the year 2020 and mechanism for automatic exchange of information relating to financial accounts

The draft Budget Law for the year 2020 introduced provisions to amend the General Tax Code in order to incorporate the mechanism for the automatic exchange of tax information and thus implement the agreements for the automatic exchange of information on financial accounts concluded by Morocco, in accordance with the common reporting standard approved by the OECD.

The said draft law is being led by the Tax Directorate in consultation with market regulators, namely: the AMMC, Bank Al-Maghrib and the Supervisory Authority of Insurance and Social Welfare (ACAPS).

1.2.7 Implementing legislation for draft law No. 15-18 on crowdfunding

The AMMC, in the same capacity as Bank Al-Maghrib and with the coordination of the Treasury and External Finance Department (DTFE), has been asked to participate in the drafting of the regulatory texts referred to in the draft law, as well as the circulars falling within its scope.

A dedicated group, composed of representatives of the AMMC, Bank Al-Maghrib and the DTFE, was set up and as started work with the technical assistance of the EBRD.

1.2.8 Decree on the automatic exchange of information relating to financial accounts

A draft decree has been discussed within the Tax Directorate in consultation with a working committee made up of representatives of market regulators, namely: the AMMC, Bank Al-Maghrib and ACAPS.

This draft sets the terms and conditions for the communication of information relating to the financial accounts of non-residents, with a view to implementing agreements for the automatic exchange of information on financial accounts concluded by Morocco in accordance with the common reporting standard approved by the OECD.

1.3 AMMC circulars

1.3.1 AMMC Circulars approved and published in the Official Gazette

Il s'agit de :

- AMMC Circular No. 02/18 on OPCI management companies approved by Order of the Minister of Economy and Finance No. 3149-18 and published in the Official Gazette No. 6771 of 22 April 2019 ;
- AMMC Circular No. 03/19 on financial transactions and reporting, replacing Book III of the AMMC Circular on public offerings, approved by Order of the Minister of Economy and Finance No. 1704-19 and published in the Official Gazette No. 6784 bis of 7 June 2019;
- AMMC Circular No. 01/19 on OPCC management companies and FPCT management institutions, approved by Order of the Minister of Economy and Finance No. 131-19 and published in the Official Gazette No. 6787 of 17 June 2019;
- AMMC Circular No. 02/19 on OPCIs approved by Order of the Minister of Economy and Finance No. 187-19 and published in the Official Gazette No. 6806 of 22 August 2019.

1.3.2 Draft AMMC Circular on Financial Investment Advisors (FIAs)

- The draft circular was developed and finalized and submitted for public consultation. Following the meetings held with the professionals who were consulted, and in light of their feedback, it was decided to draft it, and it will be resubmitted to the professionals for consultation before it is sent to the Ministry of Economy, Finance and Administration Reform for approval.

**BOX NO.10. REPOSITORY OF LEGISLATIVE AND REGULATORY TEXTS :
A REFERENCE TOOL FOR SIMPLIFIED AND DYNAMIC SEARCHES**

In 2019, in application of the prerogatives supported by its financial education mission, the AMMC made the necessary efforts to provide market professionals and the general public with easy access to comprehensive documentation. To this end, in November 2019, the AMMC published on its website and on the web portal dedicated to the licensing scheme, an educational repository containing all the legislative and regulatory texts in force (laws, decrees, orders circulars) that govern capital market participants and transactions, offering in this context an educational use (keyword search, hypertext links, etc.).

A didactic approach has been adopted for the development of this repository in order to meet two objectives :

- Providing users with a comprehensive and consolidated source of the latest versions of the texts in force;
- Providing readers with a single, standardized and interactive documentary reference for the entire legal framework governing the capital market.

To achieve this, the repository was divided into four books (dahirs and laws, general regulations, decrees and orders and circulars) and designed in three main stages :



The repository also provides readers with an overview of changes in the regulatory framework for financial markets, with a chart outlining the life cycle of the texts, as well as a thematic tree structure of the laws and their implementing legislation. Updates are made on an ongoing basis, particularly when a text is published, amended or repealed, in order to provide readers with an up-to-date version of the repository. However, although the repository provides a comprehensive reference of the legal arsenal of financial markets, the attention of readers is drawn to the fact that it is only an educational tool and that it does not in any way replace the texts published in the Official Gazette, as these are the only authentic texts.

7 Publication (date and number of the Official Gazette), amendments and abrogation, if any.

2. CAPACITY BUILDING OF PARTICIPANTS AND INVESTORS

2.1 Financial education

As part of the broadening of the AMMC's prerogatives, as established by Law No. 43-12, special attention was paid to the promotion of financial education, which plays a key role in protecting savings invested in financial instruments. Efforts in the area of financial education promote the sound development of the capital market through the capacity building of investors, who are increasingly involved in the financing of the economy and become active players in its protection.

In 2019, the AMMC thus renewed its participation in two flagship campaigns :

- **The 2019 edition of World Investor Week (WIW)**

Launched in 2017 by the International Organization of Securities Commissions (IOSCO), World Investor Week (WIW) is an annual event that rallies financial regulatory authorities around the world to promote initiatives that foster financial education and investor protection.

In 2019, in line with its mission to protect, inform and educate investors, the AMMC has developed a comprehensive program aimed at a variety of targets including:

- Seminars for students of the Institut Supérieur de Commerce et d'Administration des Entreprises of Rabat (Higher Institute of Commerce and Business Administration of Rabat - ISCAE) and the École Mohammedia des Ingénieurs (Mohammedia School of Engineers – EMI);
- the publication of a repository of laws and regulations aimed at facilitating access to the regulations governing the Moroccan capital market;
- presence on social media such as LinkedIn and Twitter to interact with the general public and disseminate messages on financial education and investor protection;
- the launch of work on the development of a mobile financial education app aimed at providing the general public with a better understanding of the capital market.

- **The 2019 edition of the Journées de la Finance pour les Enfants et les Jeunes (Children and Youth Finance Days - JFEJ)**

As an active member of the Moroccan Foundation for Financial Education (FMEF), the AMMC was involved for the second consecutive year in the 8th edition of the JFEJ, an event organized by FMEF as part of the annual financial awareness campaign for children and youth entitled "The Global Money Week" (GMW).

The AMMC organized, in collaboration with the branches of Bank Al-Maghrib and FMEF, several seminars throughout Morocco for high school and university students in Larache, Settat, Meknes, Safi and Fez. More than 1,000 participants benefited on this occasion from the presentations given by the AMMC in a spirit of interaction and exchange.

2.2 The licensing of market professionals by the AMMC

The licensing of market professionals is a mandatory system whose objective is to ensure that persons holding specific positions within the bodies subject to the AMMC's supervision have the required knowledge for the position that qualifies them to perform their duties in compliance with regulations and ethics.

In 2019, eighty candidates have been accredited by the AMMC, broken down as follows:

- 30 financial instrument traders;
- 27 financial advisors;
- 23 back office managers.

In 2019, the AMMC implemented a set of tools in preparation for the licensing examinations. The main work carried out in 2019 involved:

- The preparation of reference documents describing the system to professionals, as well as the design of syllabi;
- The implementation of a technological platform for digitalized management of the licensing process, from the application to the issuing of the decision;
- The design of an initial set of questions aligned with the developed syllabi;
- The preparation of training courses with professionals and the provision by the AMMC of training for the population holding the position of traders in financial instruments;
- The organization of the first exams for a population of 150 professionals.
- L'organisation des premiers examens pour une population de 150 professionnels.

This project to set up the licensing process was carried out in close cooperation with market professionals. To this end, the Consultative Licensing Committee, composed of representatives of professionals and established in the AMMC's General Regulations, was set up and regularly consulted on the fundamental aspects of the system and its operational implementation.

2.3 Contribution to the national financial inclusion strategy

BOX NO. 11. THE LICENSING PROCESS FOR MARKET PROFESSIONALS

In the wake of the transformation of the Moroccan regulator into an independent authority with expanded prerogatives, Law No. 43-12 relating to the AMMC introduced, with respect to professionals exercising certain duties, an obligation to take a licensing exam with a view to obtaining a professional card. Previously, verifying the suitability of the qualifications for the positions held had been the responsibility of legal persons, by virtue of the regulatory obligation to have the appropriate human and organizational resources to carry out a regulated activity. The system aims to build the capacity of market professionals, develop a common general and financial culture, and boost training, as well as to update knowledge. The system applies to all natural persons working for legal entities subject to the AMMC's supervision (brokerage firms, UCITS management companies, account keepers, etc.) who hold one of the relevant positions, as defined by Order No. 1756-17 of the Minister of Economy and Finance.

THE RELEVANT POSITIONS

- Internal Controller
- Financial instruments trader
- Financial Advisor
- Back office manager
- Portfolio manager of financial instruments
- Financial analyst
- Clearer

The modus operandi of the licensing is built around three pillars :

THE PRACTICAL PROCEDURES

To be eligible for the license, professionals must have completed a training course culminating in a higher education diploma, hold a full-time position with a market operator and provide proof of at least two years' professional experience in the financial field.

The exam sessions are organized by the AMMC according to a calendar which it publishes at least twice a year. The license must be renewed every three years, twice with an exam and the following times upon a mere filing of the application. Eligible persons whose experience is equal to or greater than ten years are exempted from renewal of the license. At the end of the licensing process, a professional card is issued to each candidate who has successfully completed the exam. The AMMC maintains an updated list of licensed persons published on its website.

THE KNOWLEDGE REQUIREMENTS

The AMMC defines and publishes the syllabus which specifies the themes and the level of requirements (common core and specific knowledge). It serves as a reference for establishing the set of questions asked in the exam and as a benchmark for the training programs offered to eligible professionals.

The syllabus is broken down into themes and sub-themes. For each of the sub-themes, it shows the level of knowledge required (general or specific) according to the position held.

• Theme 1	The institutional framework and the financial center
• Theme 2	The economic environment
• Theme 3	The legal framework for breaches and infringements
• Theme 4	Internal control and ethics
• Theme 5	Regulations for anti-money laundering and combating the financing of terrorism
• Theme 6	Customer relations and reporting
• Theme 7	FIAs and financial canvassing
• Theme 8	Financial instruments and risks
• Theme 9	Public offerings and other financial transactions
• Theme 10	The accounting and financial environment
• Theme 11	Collective management and discretionary management
• Theme 12	Market operation and organization
• Theme 13	Back office and market infrastructures
• Theme 14	Commitment to sustainable development

THE CONSULTATIVE LICENSING COMMITTEE (CLC)

The Consultative Licensing Committee (CLC) is a body provided for in the AMMC's General Regulations whose mission is to provide advice and recommendations to the Chairperson of the Authority on matters related to licensing, in particular :

- The program of required training;
- The content of the exams;
- The rules governing the organization of the exams (dates, procedures, assessment methods).

The Committee is composed of three representatives of the AMMC appointed by the Chairperson of the AMMC, including the Chairman of the Committee, one representative of each professional association of legal entities subject to the AMMC's supervision on their proposal. The CAC is currently composed, in addition to the AMMC, of ASFIM (represented by its Chairman), APSB (represented by its Chairman) and BPGM (represented by its Director General).

The AMMC is an active player in the national financial inclusion strategy. It is a member, through its Chairperson, of two governance bodies of the strategy :

- The National Council for Financial Inclusion (CNIF), chaired by the Minister of Economy and Finance, ensures the overall monitoring of the strategy and reassesses the priorities and strategic orientations according to the changing environment;
- the Strategy Committee (SC), chaired by the Wali of Bank Al-Maghrib, is in charge of steering, arbitration decisions and stakeholder mobilization.

The AMMC contributed to the work of two thematic working groups entitled respectively "Alternative financing tools for VSEs and Start-Ups" and "Data & Metrics".

The mission of these thematic working groups is to develop and implement detailed action plans in relation to the identified strategic drivers.

3. INSTITUTIONAL COOPERATION

3.1 Systemic risk coordination and supervision committee (CCSRS)

The Systemic Risk Coordination and Supervision Committee (CCSRS) held two half-yearly meetings in 2019. It is assisted in its work by a working group made up of representatives of the various authorities in the financial sector, as well as the Treasury and External Finance Department. The CCSRS' work focused on the following points :

- Le suivi de la réalisation de la feuille de route de stabilité financière 2019-2021 ;
- Monitoring the implementation of the financial stability roadmap for 2019-2021 ;
- The joint circular between ACAPS, the AMMC and Bank Al-Maghrib on financial conglomerates;
- The half-yearly assessment of risks to financial stability;
- The preparation of the financial stability report for the year 2018;
- The organization of the symposium on financial stability held on 9 December 2019.

On this last point, nearly 100 participants, including more than forty senior representatives of central banks and other authorities from all regions of the African continent (both English and French-speaking), as well as some forty high-level officials representing the national financial sector took part in this meeting.

Three thematic sessions were led during the symposium by thirteen eminent panelists representing, in particular, the Financial Stability Board, the International Association of Insurance Supervisors and the International Organization of Securities Commissions. Their interventions focused on financial integration in Africa, new vulnerabilities and emerging risks affecting financial stability and the framework for crisis resolution and management.

8 The CCSRS is composed of representatives of Bank Al-Maghrib, AMMC and ACAPS. Depending on the issues addressed, the composition of the committee is extended to representatives of the Ministry of finance.

During the various work meetings of the CCSRS, its members decided to plan several initiatives aimed at identifying and preventing systemic risks, namely :

- The development of a digital regulatory framework in collaboration with the Digital Development Agency;
- The drafting of a text governing discretionary management, in particular individual management which is not yet regulated;
- The signing of the draft convention between financial regulators and the National Authority for Integrity, Prevention and Combating Corruption (INPPLC) on combating corruption in the financial sector;
- The sharing of experiences relating to the anti-corruption certification process.

With regard to the 2019-2021 financial stability roadmap, the AMMC conducted the following projects in 2019 :

- **Project to regulate the secondary market for private debt securities :** financed by the European Bank for Reconstruction and Development (EBRD), it aims to determine the actions to be undertaken to promote the development of the private debt market in Morocco while providing for the terms of its supervision. The mission report has been finalized. It is currently being reviewed by the project stakeholders ;
- **Project to regulate financial instruments marketed by trading rooms :** it aims to set the conditions to protect the customers of banks' trading rooms in connection with the marketing of certain sophisticated financial instruments. In 2019, the AMMC carried out an international benchmark with six foreign regulatory authorities in order to identify best regulatory practices in this area. The principles that will be adopted will be shared in the first half of 2020 with Bank Al-Maghrib so that they can become part of the rules to be followed by banking institutions ;
- **Project to develop an expertise dedicated to the regulation of Fintechs in the capital market field :** in order to monitor the latest developments in the supervision of Fintechs, the AMMC has set up a regulatory and technical watch that results in regular benchmarking and participation in several working groups within specialized international bodies.

3.2 General directorate for the security of information systems (DGSSI)

In the context of coordination with the Administration of National Defense and the General Directorate for the Security of Information Systems (DGSSI) on cybersecurity and the protection of sensitive Information Systems of infrastructures of vital importance in the capital market, several measures have been undertaken in 2019 :

- Continuing work to achieve compliance with the National Directive on the Security of Information Systems;
- Monitoring and taking into account the Information Systems security alerts received from maCERT (Moroccan Computer Emergency Response Team);
- The AMMC's participation in the events organized by the DGSSI, notably the 7th edition of the Information and Awareness Seminar on Cybersecurity organized on 12 November 2019 on the theme: "Outsourcing of Information Systems and Cybersecurity Issues".

3.3 The partnership agreement with the directorate of administrative and general affairs of the ministry of economy and finance

As part of the pooling of resources and the streamlining of expenditures, an agreement was signed on 24 April 2019 between the AMMC and the Ministry of Economy, Finance and Administration Reform.

Under the terms of this agreement, the Ministry supplied the AMMC with the Datacenter of the Directorate of Administrative and General Affairs (DAAG) to host the Authority's IT infrastructure.

The use of the Datacenter, designed and installed according to international standards, has enabled the AMMC to reinforce the maximum availability, security and continuity of activities related to its Information System, in line with the principles of resource management optimization.

3.4 The partnership agreement with the digital development agency (ADD)

The digitalization of the services provided by the AMMC is one of its strategic areas of transformation. In this context, the Authority signed a partnership agreement on 26 November 2019 with the Digital Development Agency (ADD) for the implementation of new shared digital solutions.

This new partnership was marked by the launch of work on two extranet applications for the electronic management of complaints and legal requests. The ADD platform provides a secure, user-friendly and transparent electronic channel for filing complaints and requests with the Authority, ensuring a paperless processing workflow.

3.5 The coordinating committee of business continuity plans (BCP) of the financial center

As a member of the Coordinating Committee of the local BCPs, the AMMC takes part in the work of the various governance bodies provided for in this framework. The Authority took part in the second Steering Committee meeting held in October 2019, attended by representatives of the financial sector authorities, banks and financial market infrastructures, as well as in meetings of the Market Commission made up of the BCP officers of the member organizations.

3.6 The futures market coordination body (ICMAT)

In 2019, Decree No. 2-18-827 was published in the Official Gazette, setting the composition and operating procedures of the Futures Market Coordination Body (ICMAT). The decree sets the composition of ICMAT at two representatives of Bank Al-Maghrib and two representatives of the AMMC and their respective alternates.

In 2019, each regulator appointed its permanent representatives and their alternates and the body began its initial work.

9-Reminder of the ADD mission (Source: www.add.gov.ma): under the supervision of the Ministry of Industry, Investment, Trade and the Digital Economy (MIICEN), the Agency is responsible for implementing the government's digital development strategy and promoting the dissemination of digital tools and the development of their use among citizens.

Bank Al-Maghrib has been appointed to serve as the first Chair and Secretariat of ICMAT for a two-year period of, after which the AMMC will in turn serve as Chair and Secretariat for an equivalent period.

Work on ICMAT's rules of procedure, the Memorandum of Understanding to establish the rules for joint intervention by the two regulators and other work was also initiated in 2019.

3.7 The working group on financial conglomerates

Law No. 103-12 on credit institutions and similar bodies, promulgated by Dahir No. 1-14-193 of 01 Rabii I 1436 (24 December 2014), introduced the concept of financial conglomerate.

It concerns groups that hold significant activities in regulated sectors (capital market, banking and insurance sectors). Bodies that control financial conglomerates will now be subject to certain rules and obligations regarding transparency and governance.

The AMMC, ACAPS and Bank Al-Maghrib have set up a working group to propose a framework for regulating these conglomerates. This framework will be set by a circular to be issued jointly by the financial sector supervisory authorities.

3.8 Monitoring committee for the concession of the casablanca stock exchange

The AMMC ensures the supervision, by delegation of the Minister of Economy and Finance, of the compliance of the company managing the Casablanca Stock Exchange with the specifications of the concession. In this context, the Authority actively participates in the work of the Concession Monitoring Committee set up by the new Law n°19-14 relating to the Stock Exchange, brokerage firms and Financial Investment Advisors.

The committee is in charge of monitoring the implementation by the managing company of the main missions entrusted to it, mainly the deployment of the new roadmap of the Casablanca Stock Exchange.

3.9 National conference on taxation

In May 2019, the AMMC took part in the 37th National Conference on Taxation on the theme of tax equity.

As part of the preparatory work, the AMMC contributed to the thematic working group "Taxation and encouragement of savings in the long and medium term" by involving professional associations in the capital market sector.

The event was an opportunity for the AMMC to recall the role of the capital market in financing the economy, as well as the importance of promoting its development through tax measures aimed at developing long-term savings and encouraging access to the market for issuers and investors.

3.10 Accounting standard-setting

The AMMC, as a regulator that supervises operators in different sectors, is actively involved in accounting standard-setting projects.

During 2018, the Authority took part in several projects within the framework of the National Accounting Council's working group, including those relating to :

- The project to update the accounting rules applicable to FPCTs;
- The drafting of rules on "Sukuk certificates";
- The accounting plan of the Fonds commun de garantie des dépôts (FCGD - Common Deposit Guarantee Fund).

4. MARKET DEVELOPMENT

4.1 The operationalization of the new stock exchange law

In 2019, Law No. 19-14 on the Stock Exchange, brokerage firms and Financial Investment Advisors was operationalized, notably through the adoption and publication in the Official Gazette of the new General Regulations of the Casablanca Stock Exchange.

Its drafting was the result of a close collaboration between the DTFE, the AMMC and the Casablanca Stock Exchange.

The main contributions of these new regulations are :

- The incorporation of rules and procedures relating to the functioning of the alternative market dedicated to SMEs;
- The creation of compartments reserved for qualified investors, both at the level of the main market and the alternative market;
- the incorporation of the conditions and procedures for the listing of financial instruments issued by bodies or legal entities not having their registered office in Morocco;
- the introduction of new trading services for unlisted securities;
- the incorporation of the terms and conditions for the execution of legal sales of listed financial instruments.

4.2 Projects for developing and securing the private debt market

Because it is an essential component of the capital market, developing and securing the debt market is at the heart of the AMMC's concerns. In 2019, the Authority continued to explore and examine the different ways to achieve this objective in different working groups.

All stakeholders were consulted: investors, issuers, international financial institutions, market professionals and public authorities. Several avenues were identified.

From the legislative and regulatory development perspective :

- Opening up the market to new issuance opportunities, for example by relaxing the conditions for access to the bond market and the related legal formalism in order to attract new classes of issuers, such as SMEs and local authorities;
- Speeding up the opening of the market to new classes of financial instruments, such as covered bonds, for which a draft law is currently being finalized;
- Promoting the use of ratings, notably by amending the prudential rules for UCITS. Since the publication of Order No. 1804-19 of the Minister of the Economy and Finance in June 2019, UCITS have been authorized to hold up to 15% (instead of 10%) of their assets in debt securities issued by an issuer that has been rated by a rating agency registered with the AMMC or any other similar international authority;
- Broadening the opportunities for collateralization of debt securities and clarifying the practical arrangements for their exercise. AMMC Circular 03/19 already requires, in prospectuses for debt securities, a precise description of the events constituting events of default and how they are to be managed;
- Improving the protection of investors on the debt market by strengthening the role and responsibilities of the representative of the bond investors' group, in order to enable him or her to act effectively and to report on his or her mission to investors.

From the operational perspective :

- Enhancing the transparency of market transactions by setting up mechanisms for collecting and disseminating comprehensive information on these transactions. The advisability and modalities of setting up a central platform for transactions and/or reporting are being examined;
- Strengthening the efficiency of the market price setting process by redefining the Treasury bill yield curve. A project is under way, led by the Ministry of Economy, Finance and Administrative Reform, with the participation of the AMMC and in partnership with the EBRD;
- Promoting market liquidity through the encouragement of market-making and the introduction of more favorable prudential rules for the liquidity of unlisted debt securities;
- Exploring additional ways of reducing the cost of ratings for issuers, in addition to the reduction already granted by the AMMC for the examination of applications for the issue of debt securities whose issuer is rated;
- Optimizing the market issuance process, including the examination and approval process by the Authority. AMMC Circular No. 03/19 on financial transactions and reporting incorporated this objective by optimizing the standard models for prospectuses and reorganizing the examination deadlines. The introduction of the standard format for reference documents and securities notes makes it possible to meet the objective of rapid market launch without compromising the quality of information provided to the public.

4.3 Introducing a new segregation of account keepers' assets

In 2019, in collaboration with the AMMC and the various banks, Maroclear has set a more refined segregation of account keepers' assets in order to meet the needs of the market.

To facilitate the transition to this new nomenclature, the client typology usually used by banks has been adopted. After consultation with stakeholders, it was also agreed that the use of these new account categories would initially be optional.

4.4 Creating a database of market transactions and a post-trade monitoring tool

A market transactions database and a post-trade monitoring tool were deployed in 2019 by Maroclear, in close collaboration with the AMMC. In this context, the specificities of the two applications were defined with the Authority, in particular on the basis of the needs of the latter.

The first application consists of a database containing all data and information relating to transactions carried out on financial instruments admitted to Maroclear's transactions. It will contribute to improving market transparency and will enable the AMMC to enhance its capital market control and monitoring tools.

The second application is a capital market monitoring tool. It will enable the AMMC to improve the monitoring of transactions carried out on financial instruments admitted to Maroclear's transactions.

4.5 The conference for launching opcis in morocco

On 11 June 2019, the AMMC organized jointly with the Ministry of Economy, Finance and Administrative Reform a conference to launch the activities of real estate investment schemes in Morocco. Discussions focused on the benefits offered by the regulatory ecosystem related to OPCIs, the financing and investment opportunities offered by this new instrument on the capital market, as well as the challenges of real estate valuation and the rules of intervention of real estate appraisers of assets of this type of collective investment schemes.

In addition, a workshop dedicated to the real estate valuation of OPCI assets was organized. It was led by real estate valuation experts.

4.6 The real estate investment schemes handbook

In June 2019, in order to support the launch of OPCIs in Morocco, the AMMC published a handbook on "Real Estate Investment Schemes" aimed at all professionals and actors involved in the management and smooth operation of OPCIs.

This handbook presents :

- The authorization procedures and the operation of OPCIs;
- The authorization procedures and obligations of OPCI management companies;
- The conditions governing the exercise and methods of appointment of real estate appraisers and custodian institutions, as well as their missions and obligations;
- The procedures for appointing statutory auditors as well as their missions and obligations;
- The AMMC's missions in the framework of the supervision of OPCIs and their management companies.

The handbook was presented at the conference for launching OPCIs in Morocco.

5. PROXIMITY WITH MARKET PARTICIPANTS

5.1 Market awareness

As part of the AMMC's market awareness process, regular meetings were held with market participants and the main professional associations of the financial sector. This is a privileged channel that allows the Authority to discuss topics of interest to the profession, keep it abreast of institutional and regulatory developments, and coordinate with it the consideration and implementation of structuring projects.

5.1.1 The Association professionnelle des sociétés de bourse (The Professional Association of Brokerage Firms - APSB) and the Groupement professionnel des banques du Maroc (Professional Association of Moroccan Banks - GPBM)

In 2019, the AMMC maintained close dialogue with market participants on various topics such as the changes in regulatory texts governing market activities, the mechanism for accrediting professionals and cooperation with African countries.

As part of the licensing process of capital market professionals, the AMMC organized, in November 2019, a ceremony dedicated to the presentation of professional license certificates to the first thirty Financial Instruments Dealers who successfully passed the licensing exams of the June and September 2019 sessions.

5.1.2 Market undertakings: Casablanca Stock Exchange and Maroclear

In 2019, the AMMC held several working meetings with market undertakings as part of the market awareness process. These meetings focused on the following points :

- The implementation of the Casablanca Stock Exchange roadmap including the setting up of the Clearing House and the project relating to the setting up of the Futures Market;
- The operationalization of Law No. 19-14 on the Stock Exchange, brokerage firms and Financial Investment Advisors, particularly as regards the recasting of the Stock Exchange General Regulations, the setting up of compartments reserved for qualified investors and new financial instruments such as listed funds;

- Financial reporting;
- Maroclear's new IS master plan and the roadmap of the "Digital Transformation" project;
- The segregation of assets deposited with account keepers;
- The post-trade of transactions on financial instruments denominated in foreign currency;
- The implementation of direct payment to Maroclear;
- The implementation of a module for managing subscriptions and redemptions of UCITS with Maroclear;
- The implementation of a central data repository;
- The implementation of a monitoring module for operations and securities transactions admitted to Maroclear's transactions.

5.1.3 The Association des Sociétés de gestion et Fonds d'Investissement Marocains (Association of Moroccan Asset Management Companies and Investment Funds - ASFIM)

In 2019, the AMMC held five working meetings with ASFIM, the professional association of UCITS management companies. These meetings namely addressed, the following topics :

- ASFIM's presentation of its strategy for the asset management industry for the next decade
- the new prudential provisions applicable to UCITS following the amendment of Order No. 2541-13 of the Minister of Economy and Finance;
- The current draft amendment to the law relating to UCITS;
- The nature of certain investments and transactions carried out by UCITS, as well as the risks related to them;
- The AMMC's professional licensing process for members of UCITS management companies;
- The amount of management fees charged by management companies and the need for such fees to be sufficient to cover the operating expenses incurred in the management and operation of the managed UCITS;
- Unconditional compliance with the deadline for receiving subscription/redemption orders from UCITS investors;
- The AML/CFT system to be deployed by management companies;
- The AMMC's sanctioning process and the operating procedures of its Enforcement Committee.

5.1.4 The Association Marocaine des Investisseurs en Capital (The Moroccan Association of Capital Investors - AMIC)

In 2019, the AMMC reviewed the following main topics with AMIC :

- the amendment of Law No. 41-05 on venture capital investment vehicles (OPCCs) ;
- the circular relating to OPCC management companies;
- the preparation of a guidebook dedicated to OPCCs;
- the financing of VSEs and SMEs.

5.2 Addressing questions from the public and legal requests

The AMMC regularly receives legal requests from market professionals and the general public. A transmission channel is provided in this context on the Authority's website under the heading "Submit a request".

5.2.1 Addressing questions from the general through the AMMC website

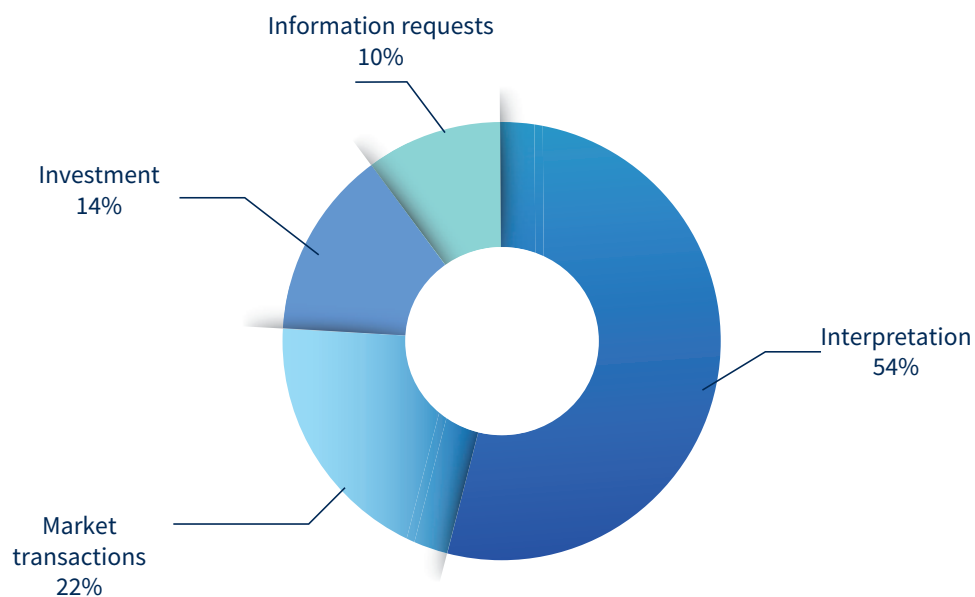
Questions submitted by the general public stem from multiple profiles, such as investors, students or researchers. To this end, the AMMC regularly updates the "Frequently Asked Questions (FAQ)" section.

5.2.2 Addressing legal requests

In 2019, the AMMC received one hundred and eleven legal requests, including fifty external requests from law firms, capital market professionals and public companies. These requests dealt with a number of themes, mainly :

- The interpretation of legislative and regulatory provisions (54%), particularly on governance and provisions relating to independent directors, audit committees, ESG reports and disclosure requirements, following the publication of Law No. 20-19 amending Law 17-95 on public limited companies, the entry into force of Law No. 44-12 on public offerings, and the approval of AMMC Circular No. 03/19 relating to financial transactions and reporting;
- Market transactions (22%) with requests relating to securities transactions, securities transfers, securities lending/borrowing, financial intermediation and management mandates;
- Investment (14%) with requests relating to IPOs, private placements, investment in funds, marketing of financial instruments under foreign law, provision of financial advisory services;
- Miscellaneous information requests (10%), with requests relating to the communication of circulars or draft texts, the list of financial intermediaries, the list of green bonds issued on the market and UCITS statistics.

Graph 37. Requests handled in 2019 per field



Source : AMMC

Table 38. Breakdown of requests handled in 2019 by requestor profile

Profiles	Number of requests
Lawyers/Advisory firms	18
Financial advisors/CAC	6
Issuers/Companies	6
Banks/Custodians	8
Brokerage firms	3
(Institutions (Regulatory authorities/Ministries	5
Individuals/Students	4
Total	50

Source : AMMC

6. INTERNATIONAL COOPERATION

In 2019, the AMMC consolidated its international action through its active contribution to the work of multilateral cooperation bodies and its continued commitment to bilateral cooperation, particularly in Africa and the Middle East region.

6.1 Participation in the work of international bodies in the field of regulation

6.1.1 International Organization of Securities Commissions (IOSCO)

This cooperation is being pursued within the framework of international and regional bodies. These bodies are essentially the International Organization of Securities Commissions (IOSCO), of which the AMMC has been a member since 2007. IOSCO is the reference body for standards and norms in capital market regulation.

Several meetings have been held within the framework of this organization :

- **Annual Meeting of the Africa and Middle East Regional Committee - AMERC**

The 42nd Annual Meeting of the IOSCO Africa and Middle East Regional Committee (AMERC) took place in Kuwait on 22-23 February 2019. It focused on the challenges of deploying sustainable financial instruments in the region's capital markets. The AMMC presented its feedback on the challenges and opportunities encountered in the context of the implementation of a sustainable capital market in Morocco.

- **Annual Conference of IOSCO**

The annual meeting of the International Organization of Securities Commissions (IOSCO) was held from 13 to 17 May in Sydney. On the sidelines of this meeting, the AMMC was invited to speak at the session on "The Future of Financial Services: Regulators' Perspectives" of the Australian Securities and Investments Commission (ASIC).

- **Annual meeting of the Growth and Emerging Markets Committee - GEMC**

The annual meeting of the Growth and Emerging Markets Committee (GEMC) was held on 19-20 September in St. Petersburg. At the public conference, organized on the sidelines of the meeting, on the theme "Capital Markets in a Cross-Border Digital Environment", the GEMC shared its experience on the current challenges and opportunities for the development of sustainable capital markets

6.1.2 Other international bodies

- **Institut Francophone de la Régulation Financière – The French-language Institute of Financial Regulation (IFREFI)**

The AMMC took part in the 18th annual meeting of the Institut Francophone de la Régulation Financière (IFREFI) in Mauritius. The Authority shared its experience in sustainable finance, notably during the session " What type of supervision is needed for sustainable finance? "and " Development of green/blue, social and sustainable bonds".

- **Union of Arab Securities Authorities – UASA**

The AMMC was invited to attend the annual meeting of the Union of Arab Securities Authorities (UASA) held in Amman. The Authority shared with members recent developments in the capital market in Morocco.

6.2 Bilateral agreements, cooperation and technical assistance

In the framework of bilateral agreements, cooperation with other counterparts takes several forms, mainly the exchange of information and experience, capacity building and assistance in the context of capital market supervision missions.

6.2.1 Bilateral Cooperation

- **Signing of a bilateral agreement for cooperation and exchange of information with CNMV Spain**

The AMMC and the Spanish National Securities Commission signed an agreement on mutual assistance and cooperation in February 2019. It provides for the exchange of information and experience in areas of common interest in order to improve investor protection, efficiency and the development of capital markets.

Following this signing, several exchanges took place between the teams of the two regulators on recent developments in their respective markets with a view to operationalizing a roadmap of priority cooperation actions.

- **Meeting to exchange views with experts from the CNMV and the AMF**

In the framework of the cooperation agreements between the AMMC and its counterparts AMF France and CNMV Spain, working meetings were organized on 9 December 2019, on the sidelines of their speeches at the 3rd Regional Symposium on Financial Stability, to discuss the approach to systemic risk assessment adopted by the two above-mentioned regulators.

- **Study and exchange visit with the Jordan Securities Commission -JSC**

On the sidelines of its participation in the 29th Plenary of the Middle East and North Africa Financial Action Task Force - MENAFATF, the AMMC held a meeting with the Jordan Securities Commission (JSC) with which the AMMC has a cooperation agreement to discuss common issues in capital market supervision.

- **Information Mission on the Supervision of Participatory Capital Markets**

Following the proceedings of the seminar organized by the International Organization of Securities Commissions (IOSCO) and the Malaysian authority on the role of participatory finance in promoting financial inclusion, the AMMC visited the Securities Commission Malaysia (SCM), the Malaysian regulator, from 1 to 3 May 2019 and the Dubai Financial Services Authority (DFSA) on 5 and 6 May to inquire about their practices in the supervision of the participatory capital market. The meetings held in this framework made it possible to cover the most important aspects in this area of supervision such as the legal framework for the structuring and marketing of participatory products, control procedures, the nature of the products, etc.

- **Information mission with the FSMA on crowdfunding**

In the final phase of drafting the implementing legislation for the law on crowdfunding,

the AMMC benefited from the expertise of the Financial Services and Markets Authority (FSMA) - Belgium in the context of a study visit. The main topics examined during this visit concerned the practical aspects of the regulation of crowdfunding platforms (reporting, approval of platforms, supervision, investor protection, organization of the regulator's teams, sanction mechanisms, etc.).

• **AMMC Technical Assistance Missions for Foreign Counterparts**

In 2019, the AMMC organized six technical assistance missions for regulators in West Africa (CREPMF), Central Africa (COSUMAF) and Ghana on various themes: regulatory framework, supervision of stock exchange transactions and status of the Casablanca Stock Exchange, internal organization of the AMMC and risk management.

Also, within the framework of the technical assistance agreement signed in 2017 between the AMMC and its counterpart in West Africa, a senior official of the Moroccan Authority has been appointed to join the advisory committee of the Regional Council for Public Savings and Financial Markets (CREPMF). This body is in charge of drafting and updating legal and regulatory texts. The objective is to support the CREPMF in the market reform project with the assistance of the World Bank and the African Development Bank.

6.2.2 Participation in regional bodies

• **WASRA membership and organization of a regional conference**

The West African Securities Regulators Association (WASRA) is an association that works to implement the Economic Community of West African States (ECOWAS) guidelines on regional integration and regulatory convergence. The AMMC became an observer member in 2019 and regularly attends the WASRA technical committees whose objective is to design a unified framework that promotes cross-border investment flows and investment protection at the regional level. In 2019, the AMMC participated in the organization of the Association's first conference held in Abidjan from 27 to 29 October on the theme "Positioning West African Capital Markets for Real and Sustainable Economic Growth through Integration and Sound Regulation". The AMMC intervened in panels dealing with the promotion and sustainable financing of infrastructure.

• **Participation in the African Exchanges Linkage Project (AELP)**

On 24 April 2019 in Abidjan, AMMC participated in the round table of the African Exchanges Linkage Project (AELP). At the initiative of the African Securities Exchanges Association (ASEA), and with the support of the African Development Bank (AfDB), this initiative aims to establish the integration of African stock exchanges in order to facilitate cross-border trading and securities settlement.

6.3 Sharing of experience, capacity building and other international events

6.3.1 Sharing of experiences

• 3rd OECD Conference on "Corporate Governance in MENA Countries"

On 17 and 18 April 2019 in Paris, the AMMC participated in the 3rd Organisation for Economic Co-operation and Development (OECD) conference, with the support of the Swedish International Development Cooperation Agency (SIDA).

The purpose of this conference was to share the experiences of the different countries of the region in the area of corporate governance and to define strategies for implementing the recommendations of the different working groups that were established.

As a panelist, the AMMC shared the Moroccan experience on the mechanisms implemented to improve access to capital market financing.

• Sustainable Finance Forum in Abu Dhabi on "Mobilizing Capital for Sustainable Investments and Economic Growth".

Within the framework of the Abu Dhabi Sustainable Finance Forum, held on 16 January 2019, the Abu Dhabi Global Market (ADGM) organized a one-day event on "Mobilizing Capital for Sustainable Investments and Economic Growth" to launch the initiative to create a sustainable finance platform.

The AMMC was invited to share the Moroccan experience in the development of sustainable finance and the regulator's initiatives in this field.

• Sustainable Finance Forum in Johannesburg (South Africa) on "Catalyzing South Africa's Green Bond Market" and a working meeting with the South African regulator.

The Johannesburg Stock Exchange (JSE), the International Finance Corporation (IFC) and the Sustainable Banking Network (SBN) organized an event on 18 February 2019 on the theme "Catalyzing South Africa's Green Bond Market".

The event was an opportunity to discuss the development drivers of sustainable finance and to present the findings of the report "Creating Green Bond Markets" prepared by the SBN, of which the AMMC is co-chair.

During the forum, the AMMC shared its experience in developing frameworks for sustainable financial instruments.

• Sharing the Moroccan experience in green bonds

The AMMC participated in meetings with Treasury Departments and issuers at the West African Regional Stock Exchange to share its experience in supervising green bond issues.

• **Consultation Workshop on the Handbook on Green, Socially Responsible and Sustainable Bond Issues**

The AMMC, in collaboration with the International Finance Corporation (IFC), a member of the World Bank Group, shared in 2018 a handbook on "Sustainable Bonds" to promote the emergence of the green bond market in the Moroccan financial market.

As an extension of this work, the IFC worked with the Tunisian regulator, the Conseil du Marché Financier (CMF), to develop a handbook on green, social and sustainable bonds. A workshop was organized to this end in Tunis on 20 September 2019. On this occasion, the AMMC shared the Moroccan experience in sustainable finance.

• **Annual Paris EUROPLACE International Financial Forum**

The Paris EUROPLACE International Financial Forum is a major event bringing together representatives of the European and international financial community.

The AMMC participated in the 2019 edition held on 9 and 10 July in Paris. The meeting focused on sustainable and inclusive finance, European prospects in an ever-changing world, digital transformation and developments in emerging financial markets.

• **Paris Climate Finance Day 2019**

The 5th Climate Finance Day, organized by Finance for Tomorrow and dedicated to the theme "Financing a Just Transition", was held in Paris from 25 to 29 November 2019. The edition took stock of the main achievements to date, as well as the latest initiatives and innovations in the financial sector to speed up the adoption of forward-looking strategies for a rapidly changing world and a more inclusive economy for both developing and developed countries.

The AMMC has been invited by the Autorité des Marchés Financiers de France (AMF) to participate in the panel "Market authorities, a new stimulus?" moderated by the Chairman of the AMF with representatives of the European Commission, the European Securities and Markets Authority (ESMA) and British international banking group (HSBC).

• **"Implementing Green Capital Markets" Workshop**

The AMMC, in collaboration with the Toronto Centre, organized a workshop entitled "Implementing Green Capital Markets" on 4 and 5 November 2019.

Bringing together thirty representatives from capital market and stock exchange regulators, as well as representatives from international bodies involved in the field of green finance, the meeting promoted sustainable finance and the operationalization of the Marrakech Pledge, through capacity building for regulators and market operators and promoting the sharing of experiences at the continental level.

A white paper compiling the best practices identified during the workshop and recommendations was published jointly by the AMMC and the Toronto Centre.

6.3.2 Capacity Building

As part of the capacity building of its staff members, the AMMC took part in several events :

- **Session 2019 of the US. SEC annual training seminar "29th Annual International Institute for Securities Market Growth & Development".**

Every year, the US Securities and Exchanges Commission (US. SEC), the regulator of the US financial market, organizes an event for players in the global financial market.

The AMMC participated in the 2019 edition held from 29 March to 12 April in Washington. Its staff benefited from the expertise of the US regulator, as well as that of the World Bank and other international experts.

The AMMC also presented and shared its experience in capital market regulation and presented the reforms underway.

- **23rd Annual Meeting of the International Institute for Securities Enforcement and Market Surveillance**

From 28 October to 1 November 2019 in Washington, D.C., the AMMC participated in the 23rd edition of this annual conference, which focuses on investigation, market surveillance and inspection techniques for intermediaries, as well as for mutual funds, investment advisors and internal controllers.

- **"Islamic Finance: A Catalyst for Financial Inclusion" Conference**

Invited by the Securities Commission Malaysia, the AMMC participated on 29 and 30 April 2019 in Kuala Lumpur in a conference in collaboration with the World Bank on the theme: "Participatory Finance as a Catalyst for Financial Inclusion".

The meeting addressed the issue of using Islamic finance instruments to support financial inclusion.

- **27th Annual Symposium of the Capital Markets Authorities**

The AMMC has been invited by the U.S. Commodity Futures Trading Commission (CFTC) to participate in its 27th Annual Symposium on the Regulation of Derivatives, Markets and Financial Intermediaries to be held from 21 to 25 October 2019.

The Authority benefited from the U.S. experience with futures and derivatives. Participants also exchanged views with experts from the CFTC and other regulators on the principles of futures and derivatives regulation.

- **10th Annual International Seminar of the AMF**

The AMF invited the AMMC to the 10th edition of its international seminar, which was held in Paris from 25 to 28 November 2019. The AMMC benefited from the AMF's experience in the areas of regulation, digital transition and environmental change.

- **IOSCO Seminar "Protecting the Retail Investor: A Securities Regulator Perspective"**

As part of the capacity building of its staff in the area of investor protection, the AMMC participated in the seminar organized by IOSCO from 24 to 26 April 2019 in Madrid.

This training was an opportunity to share experiences with IOSCO experts and regulators from several countries. The main topics covered included market offerings for natural persons, offences, special due diligence by professionals, financial education, the use of behavioral approaches and data science for investor protection.

- **IOSCO International Certification Program**

The IOSCO/PIFS-HLS International Certification Program is a program for securities regulators organized by IOSCO and the Harvard Law School's Program on International Financial Systems (PIFS-HLS). The first phase of the program, held from 17 to 28 June 2019 at IOSCO's headquarters in Madrid, provided an opportunity for designated AMMC staff to further their knowledge of capital market regulation.

- **Training on Fintechs with the Toronto Centre**

The role and importance of capital market regulation and oversight has increased over the last decade, driven by technological developments and innovations impacting the regulatory environment, the intermediary landscape and investor behavior.

To assess the relevance of current regulatory frameworks, the AMMC participated in a training program organized by the Toronto Centre from 14 to 19 July 2019 in Toronto to provide participants with the necessary tools to meet FinTech's challenges.

- **"Blockchain Summit London 2019" and "Fintech Connect Forum 2019"**

Invited by the British Chamber of Commerce for Morocco (BritCham), the AMMC participated alongside other Moroccan capital market participants in the "Blockchain Summit London 2019" and the "FinTech Connect Forum London 2019".

Aware of the growing importance of the use of technology, especially blockchain, the Authority took part in these events in order to understand and anticipate the potential impacts of these new technologies on the domestic market.

- **Seminar on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

As part of the training provided by IOSCO for its members, the AMMC participated in the seminar held in Luxembourg on 21 and 22 October 2019.

- **Annual IOSCO AMCC Training Seminar**

The AMMC participated in the 12th edition of the IOSCO Affiliate Members Consultative Committee (AMCC) Training Seminar, held on 4 and 5 December 2019 in Madrid.

The event focused on the implementation of IOSCO principles, but also on the protection of

distribution networks, operational resilience, cybersecurity, basic principles of derivatives and emerging markets.

6.3.3 Other international events

The AMMC has participated in a number of international events :

- **General Assemblies of the Association de l'Economie Financière (AEF)**

The aim of the Association de l'Économie Financière (AEF) is to promote ties between the financial research community and finance, banking and insurance professionals.

As a member, the AMMC participated in 2019 in the general meetings of the Association whose objectives were to identify the study themes of the journal of financial economics and to promote cooperation between members.

- **Aix-en-Provence Economic Meetings**

The main mission of the Circle of Economists, which brings together some thirty economists and academics, is to promote economic discussions that are open and accessible to all. It organizes various annual events, including the Economic Meetings of Aix-en-Provence.

In 2019, from 5 to 7 July, the theme of these meetings is "Reconnecting with confidence". The AMMC participated in the session "Savings: An Indicator of Trust?" in which panelists discussed the role of savings in household confidence.

- **10th Anniversary of the Sustainable Stock Exchange Initiative - SSE**

The SSE initiative is a United Nations (UN) project co-organized by the United Nations Conference on Trade and Development (UNCTAD), the UN Global Compact, the United Nations Environment Programme Finance Initiative (UNEP-FI) and the UN-Principles for Responsible Investment (PRI). Its objective is to encourage corporate investment in sustainable development.

Stakeholders include the World Exchange Federation (WFE) and the International Organization of Securities Commissions (IOSCO).

In 2019, the AMMC has been invited to join in the commemoration of the 10th anniversary of the SSE Initiative and to contribute to discussions on the state of the art of stock exchanges with regard to sustainable finance.

- **IMF and World Bank Annual Meetings**

Les Assemblées Annuelles des Conseils des gouverneurs du Groupe de la Banque The Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund (IMF) are an annual meeting to discuss issues of global importance: economic conditions, the fight against poverty, development, the effectiveness of support programs, etc. The meetings are held in Geneva, Switzerland.

The AMMC participated in the 2019 edition which took place from 14 to 20 October 2019 in Washington D.C. and was invited to present the AMMC's experience in sustainable finance in parallel meetings organized by the Sustainable Banking Network (SBN), an initiative of the International Finance Corporation (IFC), a member of the World Bank Group.

- **Business climate and good governance: Moroccan mission to Canada for an exchange of expertise**

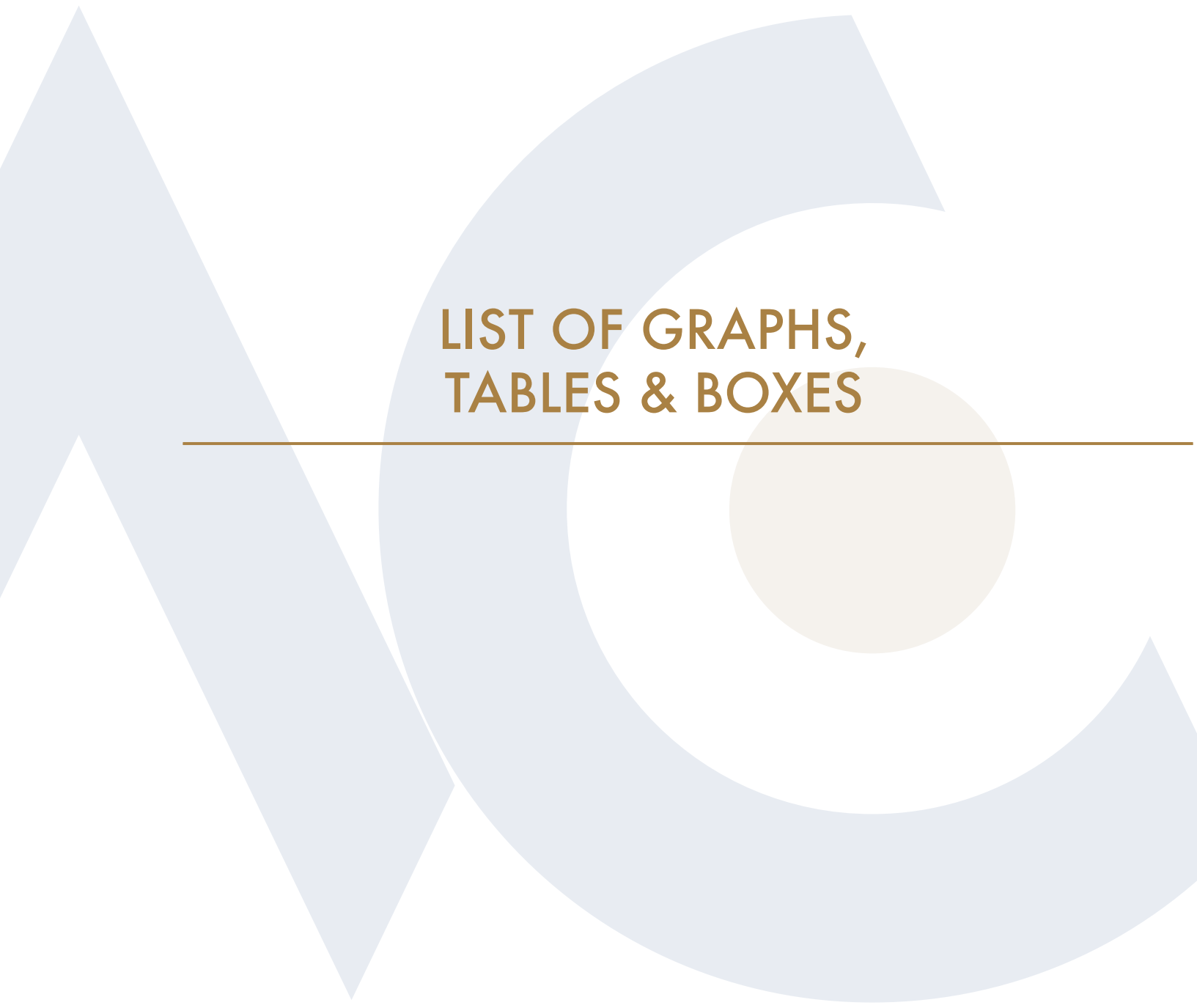
A multi-sectoral Moroccan delegation, including AMMC staff, undertook a study mission to Canada in December 2019. Dedicated to the exchange of expertise in improving the business climate and good governance, this initiative of the National Business Environment Committee (CNEA) is part of a cooperation program between the CNEA and German cooperation agency GIZ.

- **14th FSI and IOSCO Conference on "Issues in Financial Instruments Trading and Market Infrastructures".**

The Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) and IOSCO have invited the AMMC to their 14th Conference on issues related to financial instrument trading and market infrastructures.

Aimed at banking supervisors and capital market regulators, the meeting was held at IOSCO headquarters in Madrid from 13 to 15 November 2019.





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APPENDIX

APPENDIX 1 : FINANCIAL STATEMENTS AT DECEMBER 31, 2019

ASSETS (Standard Model)

FISCAL YEAR FROM 01/01/19 TO 31/12/19

	ASSETS	FISCAL YEAR			PREVIOUS FISCAL YEAR
		Gross	"Depreciation and provisions"	Net	Net
FIXED ASSET	NIL VALUE FIXED ASSETS (A)	1.241.028,72	382.299,46	858.729,26	555.421,55
	. Preliminary expenses	-	-	-	-
	. Expenditure to be distributed over several fiscal years	1.241.028,72	382.299,46	858.729,26	555.421,55
	. Bond reimbursement premiums	-	-	-	-
	INTANGIBLE FIXED ASSETS (B)	19.192.743,74	16.894.449,00	2.298.294,74	3.779.676,01
	. Research & development fixed Assets	-	-	-	-
	. Patents, trademarks, assets and similar rights	17.899.822,34	15.601.527,60	2.298.294,74	3.779.676,01
	. Goodwill	-	-	-	-
	. Other intangible fixed Assets	1.292.921,40	1.292.921,40	-	-
	TANGIBLE FIXED ASSETS (C)	42.491.665,82	12.683.541,70	29.808.124,12	3.515.531,30
	. Lands	-	-	-	-
	. Buildings	-	-	-	-
	. Technical facilities, equipment and tools	-	-	-	-
	. Transportation equipment	166.300,00	166.300,00	-	-
	. Furniture office equipment and Miscellaneous items	42.325.365,82	12.517.241,70	29.808.124,12	1.563.467,59
	. Other tangible fixed Assets	-	-	-	-
	. Tangible fixed Assets under development	-	-	-	1.952.063,71
	FINANCIAL FIXED ASSETS (D)	-	-	-	-
	. Capital loans	-	-	-	-
	. Other financial debts	-	-	-	-
	. Equity interest	-	-	-	-
	. Other Equity interest	-	-	-	-
	TRANSLATION ADJUSTMENTS- ASSETS €	-	-	-	-
	. Decrease in fixed debts	-	-	-	-
	. Increase in financing debts	-	-	-	-
	TOTAL I (A+B+C+D+E)	62.925.438,28	29.960.290,16	32.965.148,12	7.850.628,86
CURRAN ASSET	INVENTORY (F)	172.251,70	-	172.251,70	156.459,73
	. Goods	-	-	-	-
	. Consumable materials and supplies	172.251,70	-	172.251,70	156.459,73
	. Goods under process	-	-	-	-
	. Intermediate & residues products	-	-	-	-
	. Finished Products	-	-	-	-
	CLAIMS ON CIRCULATING ASSETS (G)	47.405.355,39	12.000,00	47.393.355,39	45.391.595,50
	. Trade creditors-debit balances, prepayments	-	-	-	-
	. Trade accounts receivable	41.274.824,95	-	41.274.824,95	38.148.931,98
	. Payroll	669.568,46	12.000,00	657.568,46	856.368,46
	. Government	4.139.812,85	-	4.139.812,85	4.778.593,63
	. Partner's accounts	-	-	-	-
	. Other accounts receivables	11.563,44	-	11.563,44	11.563,44
	. Adjustment accounts. Assets	1.309.585,69	-	1.309.585,69	1.596.137,99
	INVESTMENT SECURITIES AND VALUES (H)	180.000.000,00	-	180.000.000,00	210.000.000,00
	TRANSLATION ADJUSTMENTS - ASSETS (I)	-	-	-	-
	(Circulating elements)	-	-	-	-
	TOTAL II (F+G+H+I)	227.577.607,09	-	227.565.607,09	255.548.055,23
TRES.	CASH - ASSETS	16.572.709,68	-	16.572.709,68	6.760.935,59
	. Cheques and cash values	-	-	-	-
	. Bank, treasury & post office account	16.564.477,65	-	16.564.477,65	6.752.653,39
	. Cash, petty cash & credit lines	8.232,03	-	8.232,03	8.282,20
	TOTAL III	16.572.709,68	-	16.572.709,68	6.760.935,59
	GENERAL TOTAL I + II + III	307.075.755,05	29.960.290,16	277.103.464,89	270.159.619,68

LIABILITIES (Standard Model)

FISCAL YEAR FROM 01/01/19 TO 31/12/19

	LIABILITIES	FISCAL YEAR	"PREVIOUS FISCAL YEAR"
PERMANENT FUNDING	SHAREHOLDERS' EQUITY		
	. Corporate or personal capital (1)	221.225.799,21	-
	" . less : shareholders, Capital subscribed and not paid-in Called-up capital, Of which Paid-up one....."		
	. Premium on shares, merger and contribution	-	-
	. Revaluation reserve	-	-
	. Legal Reserve	-	-
	. Other reserve	-	221.060.233,40
	. Retained earnings (2)	-	-
	. Net income to be allocated (2)	-	-
	. Net income of the fiscal year (2)	27.886.462,71	27.165.565,81
	Total des capitaux propres (A)	249.112.261,92	248.225.799,21
	EQUITY RELATED (B)	960.666,67	2.008.666,67
	. Government Grants	960.666,67	2.008.666,67
	. Regulated reserves	-	-
	. Donations		
	DEBT FINANCING (C)	-	-
	. Bonded debt	-	-
	. Other debt Financing	-	-
	Packaging material Credit		
	Store construction credit		
	Medium and long-term credit		
		-	-
	SUSTAINABLE PROVISIONS FOR CONTINGENCIES & EXPENSES (D)	-	-
	. Provisions for contingencies	-	-
	. Provision for expenses	-	-
	TRANSLATION ADJUSTMENTS - LIABILITIES (E)	-	-
	. Increase in capitalized account receivables	-	-
	. Decrease of financial debts	-	-
	TOTAL I (A+B+C+D+E)	250.072.928,59	250.234.465,88
CURRENT LIABILITIES	CURRENT LIABILITIES'DEBTS (F)	27.030.536,30	19.925.153,80
	. Trade creditors and other accounts receivables	6.661.072,27	2.318.825,23
	. Trade debtors-credit balances, prepayments	-	-
	. Payroll	3.024.964,03	3.309.179,31
	. Social organizations	3.682.832,78	2.582.731,22
	. Government	12.576.568,69	11.057.872,04
	. Partner's accounts	-	-
	. Other creditors	1.085.098,53	542.546,00
	. Adjustment accounts - liabilities	-	114.000,00
	OTHER PROVISIONS FOR CONTINGENCIES & EXPENSES (G)	-	-
	TRANSLATION ADJUSTMENTS - LIABILITIES (Current elements) (H)	-	-
	TOTAL II (F+G+H)	27.030.536,30	19.925.153,80
TRES.	CASH FLOW - LIABILITIES		
	. Discount credit facilities	-	-
	. Short term credit facilities	-	-
	. Factoring banks	-	-
	TOTAL III	-	-
	TOTAL GENERAL I + II + III	277.103.464,89	270.159.619,68

(1) Debtor personal capital
(2) beneficiary (+). deficient (-)

INCOME AND EXPENSES STATEMENT (Excluding taxes) (Standard Model)

FISCAL YEAR FROM 01/01/19 TO 31/12/19

	ITEM	TRANSACTIONS		"TOTAL OF THE FISCAL YEAR " 3 = 1 + 2	TOTALS OF THE PREVIOUS YEARS 4
		Particular to the fiscal year 1	For the previous fiscal year 2		
OPERATION	I OPERATING INCOME				
	. Sales of goods (as it is)	-	-	-	-
	. Sales of goods and services produced Sales revenues	140.760.445,41	-	140.760.445,41	126.728.430,90
	. Changes in inventory (+ -) 1)	-	-	-	-
	. Fixed assets produced by the company itself"	-	-	-	-
	. Operating subsidies	-	-	-	-
	. Other operating revenue	-	-	-	-
	. Resumption of operations, expense transfers	-	-	-	-
	TOTAL I	140.760.445,41	-	140.760.445,41	126.728.430,90
	II OPERATING EXPENSES				
	. Cost of goods sold (2)	-	-	-	-
	. Cost of supplies and materials consumed 2	2.470.664,98	-	2.470.664,98	2.161.470,51
	. Other external expenses	29.468.676,00	-	29.468.676,00	27.491.292,92
	. Taxes and duty	81.613,00	-	81.613,00	84.684,00
	. Payroll	63.210.681,30	-	63.210.681,30	55.171.700,73
	. Other operating expenses	868.571,48	-	868.571,48	910.714,35
	. Operating allocations	8.490.370,93	-	8.490.370,93	2.915.285,11
	TOTAL II	104.590.577,69	-	104.590.577,69	88.735.147,62
	III OPERATING INCOME (I-II)			36.169.867,72	37.993.283,28
FINANCIAL	IV FINANCIAL PRODUCTS				
	. Income from equity holdings and other fixed assets	-	-	-	-
	. Translation gains	2.200,84	-	2.200,84	17.166,03
	. Interests and other financial income	4.912.147,96	-	4.912.147,96	5.239.762,43
	. Financial write backs, transfers of expenses	-	-	-	-
	TOTAL IV	4.914.348,80	-	4.914.348,80	5.256.928,46
	V FINANCIAL EXPENSES				
	. Interest charges	-	-	-	-
	. Translation gains	17.802,45	-	17.802,45	6.012,94
	. Other financial expenditure	-	-	-	-
	. Financial allocations	-	-	-	-
	TOTAL V	17.802,45	-	17.802,45	6.012,94
	VI FINANCIAL INCOME (IV - V)			4.896.546,35	5.250.915,52
	VII CURRENT INCOME (III + VI)			41.066.414,07	43.244.198,80

1) Stock change : final stock - initial stock ; increase (+); decrease (-)

2) Re-sold or consumed purchases : purchases – inventory stocks

INCOME AND EXPENSES STATEMENT (Excluding taxes) (Follow - up) (Standard Model)

FISCAL YEAR FROM 01/01/19 TO 31/12/19

	ITEM	OPERATIONS		TOTAL OF THE FISCAL YEAR 3 = 1 + 2	TOTALS OF THE PREVIOUS YEARS 4
		Particular to the fiscal year 1	For the previous fiscal year 2		
VII	CURRENT INCOME (reported)			41.066.414,07	43.244.198,80
NON COURANT	VIII	NON CURRENT INCOME			
		. Fixed asset sale income	37.923,00	-	37.923,00
		. Equalization subsidies	-	-	-
		. Investment subsidies write downs	1.048.000,00	-	1.048.000,00
		. Other non-current products	460.228,91		460.228,91
		. Non-current write downs, transfer of expenses	-	-	6.069.716,50
		TOTAL VIII	1.546.151,91	-	1.546.151,91
	IX	NON CURRENT EXPENSES			
		. Worth net depreciation of fixed assets sold	-	-	-
		. Subsidies granted	-	-	-
		. Other non-current expenses	1.422.624,27		1.422.624,27
		. Non current allowances to depreciation and provisions			
		TOTAL IX	1.422.624,27	-	1.422.624,27
	X	NON CURRENT INCOME (VIII-IX)	123.527,64	-	123.527,64
	XI	PRE-TAX INCOME (VII+ X)			41.189.941,71
	XII	CORPORATE INCOME TAX			13.303.479,00
	XIII	NET INCOME(XI-XII)			27.886.462,71
XIV	TOTAL INCOME (I + IV + VIII)			147.220.946,12	139.212.800,28
XV	TOTAL OF EXPENDITURE (II + V + IX + XII)			119.334.483,41	112.047.234,47
XVI	NET INCOME (total income - total expenditure)			27.886.462,71	27.165.565,81

**L'Autorité Marocaine du Marché des Capitaux
(AMMC)**

**RAPPORT DE L'AUDITEUR EXTERNE SUR LES ETATS DE
SYNTHESE ANNUELS**

EXERCICE DU 1^{er} JANVIER AU 31 DECEMBRE 2019

A l'attention de la Présidente de
L'Autorité Marocaine du Marché des Capitaux (AMMC)
Avenue Annakhil, Hay Riad – Rabat

RAPPORT DE L'AUDITEUR EXTERNE SUR LES ETATS DE SYNTHESE ANNUELS

EXERCICE DU 1er JANVIER AU 31 DECEMBRE 2019

Conformément à la loi n° 43-12 et à la mission qui nous a été confiée par votre Conseil d'Administration du 30 septembre 2019, nous avons effectué l'audit des états de synthèse ci-joints de **L'Autorité Marocaine du Marché des Capitaux (AMMC)** comprenant le bilan, le compte de produits et charges, l'état des soldes de gestion, le tableau de financement, et l'état des informations complémentaires (ETIC) relatifs à l'exercice clos le 31 décembre 2019. Ces états de synthèse font ressortir un montant de capitaux propres et assimilés de KMAD 250 073 dont un bénéfice net de KMAD 27 886.

Responsabilité de la Direction

La direction est responsable de l'établissement et de la présentation sincère de ces états de synthèse, conformément au référentiel comptable admis au Maroc. Cette responsabilité comprend la conception, la mise en place et le suivi d'un contrôle interne relatif à l'établissement et la présentation des états de synthèse ne comportant pas d'anomalie significative, ainsi que la détermination d'estimations comptables raisonnables au regard des circonstances.

Responsabilité de l'Auditeur

Notre responsabilité est d'exprimer une opinion sur ces états de synthèse sur la base de notre audit. Nous avons effectué notre audit selon les Normes de la Profession au Maroc. Ces normes requièrent de notre part de nous conformer aux règles d'éthique, de planifier et de réaliser l'audit pour obtenir une assurance raisonnable que les états de synthèse ne comportent pas d'anomalie significative. Un audit implique la mise en oeuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états de synthèse. Le choix des procédures relève du jugement de l'auditeur, de même que l'évaluation du risque que les états de synthèse contiennent des anomalies significatives. En procédant à ces évaluations du risque, l'auditeur prend en compte le contrôle interne en vigueur dans l'entité relatif à l'établissement et la présentation des états de synthèse afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité de celui-ci. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états de synthèse. Nous estimons que les éléments probants recueillis sont suffisants et appropriés pour fonder notre opinion.

Opinion sur les états de synthèse

A notre avis, les états de synthèse cités au premier paragraphe ci-dessus donnent, dans tous leurs aspects significatifs, une image fidèle du patrimoine et de la situation financière de l'Autorité Marocaine du Marché des Capitaux (AMMC) au 31 décembre 2019 conformément au référentiel comptable admis au Maroc.
Casablanca, le 12 mars 2020

L'auditeur externe

Deloitte Audit



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Sakina Bensouda Korachi
Associée

APPENDIX 2 : SUMMARY OF PENALTIES 2019

Name	Grounds for the penalty	Penalty
CDG Capital Gestion	- o Failure to manage conflict of interest situations; - o Non-compliance with provisions governing the processing of transactions; - o Non-compliance with the rules governing organizational, technical and IT resources; - o Non-compliance with the provisions governing the internal control system and ethics; - o Failure to report to the AMMC certain breaches of prudential ratios.	- Reprimand; - Financial penalty of two hundred thousand dirhams (MAD 200,000).
CDG Capital	o Absence of securities account agreements for certain clients.	- Warning.
AD Capital	- o Non-compliance with the corporate purpose limited to the exclusive management of UCITS; - o Failure to manage situations of conflicts of interest and exposure of managed UCITS to high financial risks; - o Discriminatory retrocession of management fees to a unitholder; - o Inadequate internal monitoring and vigilance.	- Reprimand.
RMA Asset Management	- o Existence of deficiencies in the internal organization; - o Non-compliance with the provisions governing the processing of transactions; - o Non-compliance with the provisions governing the management of customer relations; - o Existence of shortcomings in the internal control system.	- Reprimand; - Financial penalty of two hundred thousand dirhams (MAD 200,000).
SOGECAPITAL Gestion	- o Non-compliance with the rules on organizational and technical resources; - o Non-compliance with the provisions governing the processing of transactions.	- Financial penalty of one hundred sixty thousand dirhams (MAD 160,000).
Valoris Management	- o Non-compliance with the provisions relating to the eligibility criteria for securities received as collateral during a securities lending transaction; - o Non-compliance with the stipulations of the framework agreement; - o Non-compliance with the provisions relating to the internal control and organization system dedicated to the securities lending activity.	- Warning - Financial penalty of fifty thousand dirhams (MAD 50,000).

SUMMARY OF PENALTIES 2019

Name	Grounds for the penalty	Penalty
BMCI Bourse	Non-compliance with the principles of diligence and impartiality in the handling of client orders.	- Reprimand; - Financial penalty of two hundred thousand dirhams (MAD 200,000).
ICF AL Wassit	- Existence of deficiencies in the internal organization; - Existence of deficiencies in the internal control framework; - Existence of deficiencies in the back-up and backup system; - Existence of deficiencies at the level of the online stock exchange solution; - Existence of deficiencies in the management of relations with external service providers.	Financial penalty of two hundred fifty thousand dirhams (MAD 250,000).
CDG Capital Bourse	- CDG Capital Bourse - Absence of mandatory information on certain stock orders; - Lack of information for certain clients on the income of their investments; - Non-compliance with the terms of subscription to a public offering as defined in the prospectus; - Failure by the internal control system to verify the regularity of certain stock orders.	- Warning; - Financial penalty of four hundred thousand dirhams (MAD 400,000).
AL Barid Bank	- Delays in the transmission of stock orders to the brokerage firm; - Absence of time stamping of stock orders; - Delays in the payment of dividends on clients' cash accounts; - Irregularities in securities account holding agreements.	Financial penalty of two hundred thousand dirhams (MAD 200,000).
BMCE Bank Of Africa	Delay in providing the AMMC with regulatory reporting on securities lending transactions	Penalty corresponding to three days of delay, i.e. nine thousand dirhams (MAd 9,000).
CIH Bank	Delay in providing the AMMC with regulatory reporting on securities lending transactions	Penalty corresponding to two days of delay, i.e. six thousand dirhams (MAd 6,000).
Attijariwafa Bank	Delay in providing the AMMC with regulatory reporting on securities lending transactions	Penalty corresponding to one day of delay, i.e. three thousand dirhams (MAd 3,000).